

**PAYING FOR COLLEGE: INNOVATIVE  
PRIVATE-SECTOR PROPOSALS TO COMPLEMENT  
RECORD FEDERAL INVESTMENT IN STUDENT AID**

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**HEARING**

BEFORE THE

SUBCOMMITTEE ON 21ST CENTURY  
COMPETITIVENESS

OF THE

COMMITTEE ON EDUCATION  
AND THE WORKFORCE  
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

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PRIVATE-SECTOR PROPOSALS TO  
COMPLEMENT RECORD FEDERAL  
INVESTMENT IN STUDENT AID**

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**Tuesday, May 23, 2006  
U.S. House of Representatives  
Subcommittee on 21st Century Competitiveness  
Committee on Education and the Workforce  
Washington, DC**

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The subcommittee met, pursuant to call, at 10 a.m., in room 2175, Rayburn, Hon. Ric Keller [chairman of the subcommittee] presiding.

Present: Representatives Keller, McKeon, Petri, Johnson, Ehlers, Tiberi, Osborne, Inglis, Price, Fortuno, Foxx, Drake, Kuhl, Kildee, Payne, Tierney, Kind, Wu, Holt, McCollum, Ryan, and Bishop.

Staff Present: James Bergeron, Counselor to the Chairman; Jessica Gross, Press Assistant; Richard Hoar, Professional Staff Member; Lucy House, Legislative Assistant; Chad Miller, Coalitions Director for Education Policy; Amy Raaf, Professional Staff Member; Deborah L. Emerson Samantar, Committee Clerk/Intern Coordinator; Denise Forte, Minority Legislative Associate/Education; Lauren Gibbs, Minority Legislative Associate/Education; Joe Novotny, Minority Legislative Assistant/Education; and Mark Zuckerman, Minority Staff Director/General Counsel.

Chairman KELLER. Good morning.

A quorum being present, the Subcommittee on 21st Century Competitiveness will come to order.

We are meeting today to hear testimony on Paying For College: Innovative Private-Sector Proposals to Complement Record Federal Investment in Student Aid.

Under committee rule 12(b), opening statements are limited to the chairman and ranking minority member of the subcommittee. Therefore, if other members have statements, they may be included in the hearing record.

With that, I ask unanimous consent for the hearing record to remain open 14 days to allow member statements and other extraneous material referenced during the hearing to be submitted in the official hearing record. Without objection, so ordered.

Good morning, and thank you all for joining us today. We are here to learn about how innovative private sector proposals can

help increase college access and complement the record Federal investment in student aid.

A college degree is the passport out of poverty for millions of American students each year. Without a college education, many workers today are shut out of quality, high-paying jobs. I believe our top priority should be opening the doors of higher education to low- and middle-income Americans.

That is why I am proud of the record Federal investment and student financial aid in recent years. Funding for Pell Grants, the foundation of Federal student aid, has increased 71 percent since 2000, up from \$7.6 billion to \$13 billion today. The maximum grant is up from \$3,300 in 2000 to \$4,050 today. We have paid down the Pell Grant shortfall and secured the program for years to come. With the passage of the College Access and Opportunity Act earlier this year, we further improved the Pell Grant program, the Perkins Loan program and increased college access for millions of American students.

To my left, you can see a chart entitled, Strong Support for Pell Grant. That shows you where we are today compared to 2000.

You will see on the far left a bar showing that we have increased the overall Pell Grant funding by 71 percent, and that doesn't even include the additional \$4.3 billion that we have paid to get rid of the Pell Grant shortfall.

The middle chart reflects the maximum Pell Grant award from \$3,300 up to 4,050. It doesn't include the extra \$1,000 for the Pell Grant Plus Initiative, which is in this bill for the high-achieving low-income students; and, very excitingly, also, it doesn't include something that we passed currently called Academic Competitiveness Grant, which will be available to students this fall. High-achieving low-income students who take rigorous classes in math and science will be eligible to receive an extra \$750 their first year if they are Pell Grant eligible, as well as an extra \$1,300 their second year if they are Pell Grant eligible. Now this if they decide to major in math and science and they can maintain a 3.0 GPA, they will receive an additional \$4,000 their junior year and an additional \$4,000 their senior year, above and beyond the original Pell Grant.

The final graph is very telling, and that is the graph showing the number of Pell Grant recipients that have gone up from 36 percent since 2000, from 3.9 million to 5.3 million. And some folks say, why can't we just raise Pell Grant more above the \$4,050? I am one of those folks. Frankly, I would like to see it much higher. That is the biggest number that is keeping us down, the dramatic increase of the number of students going to college. We will have an increase every year until 2008, which will be the record in terms of high school graduates. Then it will start to go down a bit, and that will free us up to spend a lot more money, which most of us believe is a wise investment.

But the Federal Government, as much as we are doing and can do, can only do so much; and I know this firsthand. My mother had a family friendly employer who cut a check that allowed me to go to college, and I wouldn't have been able to go if it wasn't for his generous assistance as well as Pell Grant and students loans. That is why I am happy to be here today to learn about ways the private

sector can help increase college access for our low- and middle-income students.

One proposal we will discuss is my Family Friendly Employers Act, a bill to reward family friendly employers like my mother's who help send their employees' children to school. My bill allows employers to provide up to \$2,500 in tax-free reimbursements for tuition, books and fees for their employees' children's education. Employees already enjoy a \$5,250 benefit to help provide for their employees' non-job-related education. My bill would simply expand the first \$2,500 of that benefit to apply to the employees' children.

The cost of this bill would be low. Employers will be able to provide the first \$2,500 benefit to either their employee or his or her children but not both. Also, the benefit applies to each employee's children in sum, so that an employee would receive the same benefit no matter the number of children.

The Family Friendly Employers Act will encourage more generous businesses to invest in their companies, their communities and in our children's education. That is one of the reasons we have pretty broad bipartisan support for that bill, including the co-sponsorship of the ranking member of Ways and Means, Charlie Rangel, and support from groups as diverse as AFL-CIO and the American Council on Education.

We have an excellent panel of witnesses today to talk about this bill and other important private-sector proposals to complement the Federal investment in student aid; and I want to thank you for appearing before the subcommittee today. I look forward to your testimony.

With that, I yield to Mr. Kildee for any opening statement he may have.

[The prepared statement of Mr. Keller follows:]

**Prepared Statement of Hon. Ric Keller, a Representative in Congress From the State of Florida**

Good morning, and thank you all for joining us today. We're here to learn about how innovative private sector proposals can help increase college access and complement the record federal investment in student aid.

A college degree is the passport out of poverty for millions of American students each year. Without a college education, many workers today are shut out of quality, high-paying jobs. I believe our top priority should be opening the doors of higher education to low- and middle-income Americans.

That's why I'm proud of the record federal investment in student financial aid in recent years. Funding for Pell Grants, the foundation of federal student aid, has increased 71 percent since 2000, up from \$7.6 billion to \$13 billion today. The maximum grant is up from \$3,300 in 2000 to \$4,050 today. We've paid down the Pell Grant shortfall and secured the program for years to come. With the passage of the College Access and Opportunity Act earlier this year, we've further improved the Pell Grant program, the Perkins Loan program and increased college access for millions of American students.

But the federal government can only do so much. I know this firsthand. My mother had a family friendly employer who cut a check to allow me to go to college.

That's why I am happy to be here today to learn about ways the private sector can help increase college access for our low- and middle-income students. One proposal we will discuss is my Family Friendly Employers Act, a bill to reward family friendly employers like my mother's who help send their employees' children to school.

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The costs of this bill will be low. Employers will be able to provide the first \$2,500 benefit to either their employee or his or her children, but not both. Also, the benefit applies to each employee's children in sum, so that an employee would receive the same benefit, no matter the number of children.

The Family Friendly Employers Act will encourage more generous businesses to invest in their companies, their communities, and in our children's education.

We have an excellent panel of witnesses today to talk about this bill and other private sector proposals to complement the federal investment in student aid. I want to thank you for appearing before the Subcommittee today. I look forward to your testimony. With that, I yield to Mr. Kildee for any opening statement he may have.

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Mr. KILDEE. Thank you, Chairman Keller; and congratulations on your elevation to the chairmanship. This is, I think, your first hearing since that elevation; and I commend you for that. I have always enjoyed working with you.

My private-sector investment in student aid is important and should be encouraged. Federal aid is and should continue to be considered as the cornerstone of college access and affordability.

Pell Grants and Federal loans are the single most consistent resource for students struggling to pay for college and should be the driving force behind any conversation about college access and affordability.

Earlier this year, Congress held a \$12 billion heist on curbing student aid programs, while at the same time refusing to make increased investments in students by reducing interest rates or increasing the Pell Grant in a meaningful way.

Along with Representative Miller, California, I recently introduced a bill that would reverse the rate on student aid. That is H.R. 5150. This bill would cut interest rates in half for students and parents taking out subsidized loans, the borrowers most in need. This bill would save the average borrower already saddled with \$17,500 in debt about \$5,600 over the life of their loan.

Pell Grant, arguably the single strongest bridge to college access for low-income students, has seen no meaningful increase in the last 5 years. I commend Chairman Keller for putting internal pressure on his fellow committee leaders to increase the authorization level for Pell Grant by \$200, but the appropriate level remains disappointingly low. Pell Grants today are worth \$900 less in inflation-adjusted terms than they were in the 1975-'76 school year when I first came to Congress.

Until we can convince the appropriators to restore the actual buying power of the Pell Grant to the \$5,100 level promised by our President 6 years ago, we have not done anything meaningful in helping students and families struggling to pay for college.

The majority claim to have increased spending on Pell Grants substantially since 2001. However, when making these statements, they fail to also disclose that Pell Grants are a semi-entitlement program, which means that if eligible students apply for Federal financial aid they automatically get a Pell Grant. This means that Congress and President Bush do not need to support a vote and have not voted to increase the overall spending level for Pell Grant. Instead, Congress votes on whether or not to increase, cut or freeze the maximum Pell Grant scholarship for students.

When committee members gave the majority the opportunity to vote for increasing the maximum Pell Grant scholarship with guaranteed mandatory funds, the majority opposed the increase even



though it was paid for through offsets coming at no additional costs to the taxpayers.

Yes, overall, spending on Pell Grant is on the rise, as the chart indicates over there, but this is because more students qualify and more students are going to school. In other words, we have more poor students going to school that need help.

And in Michigan that is certainly the case. Michigan's economy is—particularly in Flint, the old industrial cities, more and more poor students depend upon those Pell Grants. The increases in the end are not necessarily doing more to help individual students make ends meet but are a minimal reaction to the rocky economy faced by low-income working families.

Proposals such as tax benefits and employer benefits overwhelmingly favor students from middle-income families, not low-income students who otherwise would not attend college if it weren't for the availability of aid.

These benefits are important and should be encouraged, but they do not substantially serve to close the college access gap for low-income students. To this end, we must continue to consider Federal aid to be the cornerstone of college access.

I would like to thank our witnesses today, all of them, for joining us to share their wisdom with us; and I yield back the balance of my time, Mr. Chairman.

[The prepared statement of Mr. Kildee follows:]

**Prepared Statement of Hon. Dale E. Kildee, Ranking Minority Member, Subcommittee on 21st Century Competitiveness, Committee on Education and the Workforce**

Thank you, Chairman Keller, for convening this hearing, and congratulations on your recent appointment to this Committee's leadership.

While private sector investment in student aid is important, and should be encouraged, Federal aid is, and should continue to be, considered as the cornerstone of college access and affordability.

Pell Grants and federal loans are the single most consistent resource for students struggling to pay for college, and should be the driving force behind any conversation about college access and affordability.

Earlier this year, Congress held a \$12 billion heist on student aid programs, while at the same time refusing to make increased investments in students by reducing interest rates or increasing the Pell Grant in a meaningful way.

Along with Representative Miller, I recently introduced a bill, the Reverse the Raid on Student Aid Act (HR 5150).

This Bill would cut interest rates in half for students and parents taking out subsidized loans—the borrowers most in need.

This bill would save the average borrower, already saddled with \$17,500 in debt, \$5,600 over the life of their loan.

The passage of this bill would offer real relief to students and families in need.

Pell grants—arguably the single strongest bridge to college access for low income students—has seen no meaningful increases in the last 5 years.

I commend Chairman Keller for putting internal pressure on his fellow committee leaders to increase the authorization level for Pell grants by \$200, but the appropriated level remains disappointingly low.

Pell Grants today are worth \$900 less, in inflation adjusted terms, than they were in the 1975-76 school year.

Until we can convince the appropriators to restore the actual buying power of the Pell Grant—to the \$5,100 level promised by our President six years ago—we have not done anything meaningful in helping students and families struggling to pay for college.

Republicans claim to have increased spending on Pell grants substantially since 2001.

However, when making these statements, Republicans fail to also disclose that Pell grants are a semi-entitlement program-which means that if eligible students apply for federal financial aid, they automatically get a Pell grant.

This means that Congress and President Bush do not vote, and have not voted, to increase the overall funding levels for Pell grants.

Instead, Congress votes on whether or not to increase, cut or freeze the maximum Pell grant scholarship for individuals.

When Committee Democrats gave Republicans the opportunity to vote for increasing the maximum Pell grant scholarship-with guaranteed mandatory funds-Republicans opposed the increase, even though it was paid for through offsets, coming at no additional cost to taxpayers.

Yes, overall spending on Pell grants is on the rise, but this is because more students qualify and more students are going to school-in other words-we have more poor students that need our help!

The increases in the end are not necessarily doing more to help individual students make ends meet, but a minimal reaction to the rocky economy faced by low-income working families.

Proposals such as tax benefits and employer benefits overwhelmingly favor students from middle-income families, NOT low income students who otherwise would not attend college if it weren't for the availability of aid.

These benefits are important and should be encouraged, but they do not substantially serve to close the college access gap for low-income students.

For this end, we must continue to consider federal aid to be the cornerstone of college access.

I would like to thank our witnesses for joining us today for this discussion; I look forward to hearing your testimony.

Chairman KELLER. Well, thank you, Mr. Kildee.

We do have a very distinguished panel of witnesses today, and I am eager to hear their testimony. I would like to begin by introducing all of our witnesses, and then afterwards I will recognize you individually.

First, we have Mr. Tom Davis, who co-founded Davis Brothers Construction Company with his brother, Robert Davis, in 1986. In the 20 years that Davis brothers have been in business, Tom has managed the construction of projects for many clients in Colorado, Florida, Georgia and Louisiana.

Mr. Davis also offers a unique benefit to his employees, one that allows his employees to put away money for their children's college education. Through this program, Tom has been able to assist seven students in achieving their college dream.

Next, we have Mr. Allison Jones. Mr. Jones is the Assistant Vice Chancellor of Academic Affairs and Student Academic Support at California State University. In this capacity, he coordinates support to CSU's 23 campuses in the areas of K through 12 academic outreach admission, enrollment, management, financial aid, educational opportunity programs, student services, student health, transfer services, disabled student services and remediation. He has been with CSU since 1985.

In 2000, Mr. Jones was appointed by the California State Rules Committee to the Scholar Share Investment Board. Scholar Share was implemented by the California Governor and legislature to help California families save for college. Mr. Jones was also selected as a trustee of the College Board in 2005.

Mr. Rassan Salandy is the National Director of University Recruitment and Public Relations at the Posse Foundation. In this position, he is responsible for managing press and developing partnerships with selective universities interested in recruiting students through the Posse program. Rassan is an alumnus of Posse

and received his bachelor's degree in 1997 from the great University of Vanderbilt, which I also happened to graduate from.

He has worked as a New York City public schoolteacher under the New York City Teaching Fellows Program and has been involved with several other youth leadership development organizations. He holds a Master of Arts Degree in Philosophy from the University of Wisconsin and plans to pursue his doctorate in the same field.

Finally, we have Mr. Jamie Merisotis. He is the founding President of the Institute for Higher Education Policy. Established in 1993 in Washington, D.C., the Institute is regarded as a premiere research and policy organization, concerned with higher education policy development.

As the Institute's President, Mr. Merisotis has worked extensively on nearly every aspect of the Institute's work. He is recognized as a leading authority on college and university financing, particularly student aid, and has published major studies and reports on topics ranging from higher education ranking systems to technology based learning.

Prior to founding the Institute, Mr. Merisotis served as the Executive Director of the National Commission on Responsibilities for Financing Postsecondary Education, a bipartisan commission appointed by the President and the congressional leadership.

Now, before the panel begins, I would like to remind the members that we will be asking questions of the witnesses after testimony; and, in addition, committee rule 2 imposes a 5-minute limit on all of the questions.

As to the witnesses, each one of you will have 5 minutes to give your presentation. If your written remarks are longer, we will submit those in the record in total.

Let me explain briefly the lights, which will be helpful to you. The green light says you have 5 minutes. Once you have only 1 minute left, you will see a yellow light that will advise you that you only have a minute left. And then, finally, the red light means your time has expired and we would ask you to wrap it up pretty shortly thereafter so we can make sure all the members have time to get to your questions.

With that, let me thank all the witnesses for being here; and we will begin with Mr. Tom Davis.

#### **STATEMENT OF TOM DAVIS, OWNER, DAVIS BROTHERS CONSTRUCTION**

Mr. TOM DAVIS. Thank you, Mr. Chairman, Ranking Member Kildee and other committee members. It is an honor to be here.

To tell you a little bit about myself, my brother and I started a construction company in Houston 20 years ago, Davis Brothers Construction. We build dormitories for universities, high-end apartment projects and condominiums around the country; and we do an average volume of about \$50 million a year.

I was raised on a ranch in West Texas by two hard-working, loving parents that sacrificed a lot to put four kids through college. Out of the four, I am the only one that didn't graduate. I didn't take full opportunity—didn't take full advantage of the opportunity I had. I partied too much. But so—and out of those—but I was

raised with a strong belief that we owe our children an opportunity to go to college. And we as a family, we as a country, we as a people, we owe that to these kids that we have out here today.

I am involved with three charities, all of them that have to do with children. The first is the Star Hope Mission in Houston, which is one of the largest missions of its kind in the country. Houston has, right now, over about 10,000 homeless people; and the average age of that homeless person in Houston is 9 years old. So there are lots of homeless kids out there that are starving to death.

The other charity I work with is the Houston Livestock Show and Rodeo. It is dedicated to education, and each year we give about a little over \$8 million in full scholarships to Texas youth.

The third charity I am involved with is called Elves and More, and it is based out of Houston. It is a charity where we give away bicycles to children that live under the poverty level. Last year, we gave out roughly 21,000 bicycles; and it makes a huge difference to these children. It gives them freedom and allows them to go to school when their parents can't take them, stuff like that.

But my point I am making is that, by being active in these, I have seen what an education does for a child; and I have seen what not having a college education has done. And that is my point.

Because of this, my brother and I decided to start paying for our employees' children's college education. We have 37 full-time employees, and now many of their children are reaching college age. So we pay for those that can't pay. So we have seven kids right now that are enrolled in college full time, and we monitor each one. They bring us their grades. If they are in trouble, we hire tutors for them; and we make sure that they succeed. I do everything in my power not to let them fail.

The average cost is running for us about \$5,000 per child per year. So I know that—you know, we are glad to pay for this. We are able. The good Lord has blessed us with a successful company with many employees and many fine children. But a lot of companies can't afford this; and your bill, Congressman, I think is a wonderful step in the right direction.

So I encourage all of you all to pass this bill. I can't see how it is nothing but a slam dunk. It makes a lot of sense. And I think money spent in this way, you know, when we are spending our company money, or even if I am able to deduct it from my taxes, I think I am more efficient with my money than many other organizations are that give out moneys for scholarships.

And so—but there is nothing that will make this country stronger than educating our youth, and I support you wholeheartedly. So on behalf of all of my employees and their children and other businesses like mine, I thank you for the opportunity to be here. And God bless you.

Chairman KELLER. Well, thank you very much, Mr. Davis; and we certainly appreciate all you are doing to make this country better with your innovative programs.

[The prepared statement of Mr. Davis follows:]

## **Prepared Statement of Tom Davis, Owner, Davis Brothers Construction**

### *Introduction*

Good morning, Chairman Keller, ranking member Kildee and Committee Members. Thank you for inviting me here today to testify before the Committee about how the private sector can help expand college access. My name is Tom Davis and along with my brother Bob Davis, we are the owners of Davis Brothers Construction. We have been in business for 20 years. We are a general contracting firm building apartments, dormitories for Universities, and condominiums. We do an average dollar volume of \$50,000,000 per year.

### *Scholarships for the Children of Davis Brothers Employees*

I was raised on a ranch in West Texas by two hard working, loving parents who sacrificed much to put their four children through college. Out of the four children, I was the only one who did not complete his college education. It is the one failure in my life that I regret the most. The good Lord has blessed my brother and myself with a great company and many wonderful employees that have many wonderful children. Because of this and my strong belief that we owe our children an opportunity to attend college, my brother and myself have dedicated ourselves to helping children get an education.

I am involved with three charities and they all involve children. The first is the Star of Hope Mission in Houston, Texas. It is one of the largest homeless missions in the country. The average age of the homeless person in Houston is 9 years of age. I served on their board for nine years and am still heavily involved. Another charity I am involved with is the Houston Livestock Show and Rodeo which last year gave out \$8,000,000 in scholarships to Texas students. I am currently on their board of directors. The last charity I am involved with is Elves & More, a Houston-based charity that gave away 20,800 bicycles last Christmas to kids living below the poverty level. This is our fifth year of existence and we have seen a marked increase in school attendance because these children can now get to school on their bikes, get to their jobs, get to their friends house, get to Scout meetings, etc.

The point I am making is that by being an active board member of these charities, I see first hand what happens when a child gets an education and I see first hand what happens when a child does not get an education.

Because of these experiences working with children and because several of our employees have children that have reached the age to attend college, my brother and I decided to start paying for their college education. Davis Brothers Construction currently has 37 full-time employees and as of today we have seven of our employee's children enrolled in college full-time. All of these kids live at home with their parents and Davis Brothers pays for their tuition and books. On the average, it is about \$5,000 per child per year. This is our third year since implementing this program. We monitor each student by requiring they bring us reports during the year and if they are having difficulty in a class, we help by getting them the necessary tutoring they need to succeed. Because of the way we treat our employees and their children, they literally would walk through fire for us. All companies, large and small are nothing without their employees. The Family Friendly Employers Act you are considering would make a huge difference, not only for companies making a decision to help their employees with their children's education, but also in our society. I am of the opinion that dollars spent in this way will be much more effective than programs that merely give monies, because those other programs require large administrative overhead expenses.

The State of Texas does not currently have any incentives that I know of to encourage companies to help with their employees' children's education.

### *The Family Friendly Employers Act*

I believe this bill will encourage more businesses like mine to invest in education and help send more kids to school. While I am happy to provide this benefit for my employees and their children, I know that some businesses simply do not have the resources to pay for it out of pocket. A tax incentive like the one provided in the Family Friendly Employers Act would encourage more businesses to help send their employees' children to college.

A business is only as good as its employees. Because of what we do with our employees, our turnover in our employees is non-existent. Moral is high and the quality of work we receive from our employees is outstanding.

### *Conclusion*

In conclusion, on the behalf of my employees their children, and businesses like mine across the county, I encourage Congress to pass the Family Friendly Employers Act.

And I will say it one more time. We owe it to the youth of this country.  
 Thank you, Chairman Keller and other Committee Members, for holding this hearing on a topic so important to our nation's businesses, workforce and students.

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Chairman KELLER. Mr. Jones.

**STATEMENT OF ALLISON JONES, ASSISTANT VICE CHANCELLOR OF ACADEMIC AFFAIRS AND STUDENT ACADEMIC SUPPORT, CALIFORNIA STATE UNIVERSITY**

Mr. JONES. Good morning. Chairman Keller, Ranking Member Kildee and members of the subcommittee, thank you for inviting me to discuss the California State University programs that support access to California's neediest students and the importance of Federal student financial aid to help achieve that goal. The CSU commends the committee for its attention to the important task of ensuring that every student who chooses to do so can pursue a postsecondary education.

Today, I would like to share with you several key outreach programs that CSU has developed, as well as Federal and State programs in which CSU is a key partner that supports student academic preparation and access to college.

First of all, a slight word about CSU and who we are, to give you a sense of context. CSU, or the California State University, is the largest 4-year university system in the country, with 23 campuses and over 405,000 students. Our mission is to provide high-quality, affordable education. We play a critical role in preparing outstanding candidates for the job market not only in California but nationally.

For instance, we confer 65 percent of all the bachelor's degrees in business, over half of the degrees in agriculture and agricultural engineering, and nearly half of the degrees in computer and electronic engineering. Altogether, over half of the bachelor's degrees in the State of California and a third of the masters degrees are awarded by the California State University.

The students we serve are not typically the traditional student, the traditional 18- to 22-year-old. The average age of the students that we serve is 24; 44 percent of our students are independent from their parents; 40 percent are parents; 80 percent have jobs and 36 percent of those work full time; 20 percent are the first in their family to attend college; 40 percent come from households where the primary language is a language other than English; and well over half of our students qualify for Federal financial aid.

So we spend as an institution a great deal of time building bridges with our State's K-12 partners. We try to help more students prepare for and to succeed to enroll at the CSU, but particularly those students who are underserved and first-generation college students.

One of the most important tools that the California State University has developed to reach high school students is our Early Assessment Program. It is 3 years old. It prepares students for the academic rigors of college, and it reduces the time to the degree—to the extent that students are prepared academically to enter the California State University. As a result, it maximizes the use of both the Federal and State financial aid.

The Early Assessment Program identifies students before their senior year—that is, students in the 11th grade—who need to do additional work in English and mathematics prior to entering the California State University. That is, they need to demonstrate the requisite skills expected of a graduating high school senior.

More importantly, it provides an opportunity for students in high school to use their 12th grade year very effectively to master the requisite English and math skills expected again of a graduating high school senior, not only going in the workforce but entering the California State University.

We have attached to our testimony a copy of a presentation which we would ask be included as part of the record. While this program is voluntary, nearly 200,000 students Statewide have taken this. It is voluntary on the part the students in 11th grade. Nearly 70 percent of the students will take it in math and about 15 percent will take it in English, and they are using the senior year most effectively to try to increase those skills that they enter school without the need for remediation.

Another important academic outreach program is our Steps to College poster. Members have been provided a copy of the poster, but it provides to information about academic preparation and financial aid beginning in 6th grade through 12th grade.

For the next wave of California students, many of whom are the first in their families to go to college, information and planning is absolutely critical. To reach out to under-served communities and students, the California State University has been working with churches throughout the State of California. Earlier this year, we held what we call Super Sunday in south central L.A. We worked with eight churches and reached over 20,000 people. Our chancellor and president were invited to make presentations during the services. We handed out over 10,000 posters to families, their students and grandparents and aunts and uncles. It was a very successful program.

Foster Youth is another group of students that we are providing services to that are often overlooked. These students, as wards of the court, have special needs that we need to attend to.

There is also most recently a veterans' initiative that we have begun with the Governor of the State of California as well as the military base commanders to provide access to men and women exiting California, in California. There are about 60,000 veterans who are exiting California, the military, and we want to provide access to them.

TRIO and GEAR UP is a very important program to us as well. It reduces the need for remediation. About 11 of our campuses are actively engaged in this, and we continue to support and we are pleased that H.R. 609 continues to maintain TRIO and GEAR UP as separate programs which we would continue to request occur.

Last, financial aid. The Pell Grant continues to represent the foundation of the Federal student financial aid program. It is absolutely essential to us. We note that in H.R. 609 the College Access and Opportunity Act has increased the authorized maximum Pell Grant, and we do in fact urge the subcommittee members to work with Appropriations Committee to increase the funded award.

Thank you very much.

Chairman KELLER. Well, thank you, Mr. Jones.  
[The prepared statement of Mr. Jones follows:]

**Prepared Statement of Allison G. Jones, Assistant Vice Chancellor,  
California State University System**

*Introduction*

Chairman Keller, Ranking Member Kildee, and members of the subcommittee, thank you for inviting me to discuss the California State University (CSU) programs that support access to California's neediest students and the importance of federal student financial aid to help achieve that goal. The CSU commends the Committee for its attention to the important task of ensuring that every student that chooses to do so can pursue a postsecondary education.

Today, I would like to share with you several key outreach programs that the CSU has developed and implemented, as well as federal and state programs in which the CSU is a key partner: the Early Assessment Program (EAP), Steps to College poster, Super Sunday, foster youth programs, California Veterans Education Opportunity Partnerships, Math, Engineering, and Science Advancement (MESA), TRIO, and GEAR UP. Each of these programs support student academic preparation and access. I will conclude with a few remarks about federal and state student financial aid. But first, a few words about the CSU and its students.

*The California State University—Background*

Few, if any, university systems can match the scope of the CSU system. The CSU is the largest four-year university system in the country, with 23 campuses, approximately 405,000 students and 44,000 faculty and staff. The CSU's mission is to provide high-quality, affordable education to meet the ever-changing needs of the people of California. Since the system's creation in 1961, it has awarded about 2 million degrees. We currently award approximately 84,000 degrees each year.

The CSU plays a critical role in preparing outstanding candidates for the job market. Our graduates help drive California's aerospace, healthcare, entertainment, information technology, biomedical, international trade, education, and multimedia industries. The CSU confers 65 percent of California's bachelor's degrees in business, 52 percent of its bachelor's degrees in agricultural business and agricultural engineering, and 45 percent of its bachelor's degrees in computer and electronic engineering. The CSU also educates the professionals needed to keep the state running. It provides bachelor's degrees to teachers and education staff (87 percent), criminal justice workers (89 percent), social workers (87 percent) and public administrators (82 percent). Altogether, about half the bachelor's degrees and a third of the master's degrees awarded each year in California are from the CSU.

One key feature of the CSU is its affordability. For 2005/06, the CSU's system-wide fee for full-time undergraduate students is \$2,520. With individual campus fees added in, the CSU's total fees average \$3,164, which is the lowest among any of the CSU's comparison public institutions nationwide. We try to keep our costs down—and in fact Governor Schwarzenegger has proposed buying out a fee increase scheduled for this year—yet many of our students continue to have great financial need. Approximately half of our students receive financial aid.

*The California State University—Its Students*

CSU students are not necessarily the traditional 18- to 22-year-olds. A recent survey of CSU students revealed the following about students enrolled at the CSU:

- The average undergraduate age is 24,
- About 85 percent are commuters,
- 44 percent are independent from their parents,
- Nearly two in five have dependents,
- Four out of five have jobs, and 36 percent work full time,
- About one in five is in the first generation in their family to attend college,
- 40 percent come from households where English is not the main language spoken, and
- 54 percent of CSU students are students of color.

The CSU prides itself on its ability to provide college access to students across California's increasingly diverse population. The CSU provides more than half of all undergraduate degrees granted to the state's Latino, African American and Native American students.

Additionally, CSU students are closely connected and committed to the communities in which they live. More than 185,000 CSU students participate in community service annually, donating nearly 30 million hours, the minimum wage equivalent of \$200 million.



### *Public/Private Partnerships*

Public-private partnerships are vital for higher education. In today's economy, higher education is more important than ever. According to the Census Bureau, a college graduate's lifetime earnings (\$2.1 million) are almost double that of a high school graduate. But a higher degree is more than just a ticket to a better job. It can improve the economic situation of both individuals and their communities. That's why it is in everyone's interest—communities, businesses, and educators—to help students succeed in school and pursue the highest degree they can. In fact, we cannot state this fact strongly enough: The future success of our country's economy is inextricably linked with the educational attainment of our students.

Given this conviction, the CSU recently sought to measure its impact, economic and otherwise, on California's businesses and communities. A comprehensive study of the CSU and its campuses found that CSU-related expenditures create \$13.6 billion in economic activity, support 207,000 jobs and generate \$760 million in state taxes in a year. The report also found that the state of California reaps a four-fold benefit from every dollar it invests in the CSU. This study further cemented our belief that the CSU's work is tightly bound to that of our local communities and economy. Essentially, we see ourselves as building bridges—building continuity across the spectrum from education, to the economy and workforce, to the community.

### *K-12 Partnerships*

A good place to start this discussion is at the very beginning of the education-workforce continuum, in the public schools. Given that the public schools are the source of nearly all CSU students, the CSU spends a great deal of time building bridges with our state's K-12 partners. Specifically, we have been reaching out to middle and high schools to try to help more students prepare for and get ready to succeed in college.

When we say that 54 percent of the CSU's students are students of color, it may sound like a large number, but that's not necessarily the case when you look at the students who are in the pipeline. Right now, approximately two-thirds of our state's K-12 students are students of color. CSU believes the future of higher education in this country depends on its ability to reach those students of color and students from traditionally underrepresented groups whom we have not yet reached.

### *Early Assessment Program*

One of the most important tools the CSU has developed to reach high school students is the Early Assessment Program, known in California as simply the "EAP." CSU created this early assessment of college readiness program in collaboration with the California Department of Education and the State Board of Education. It provides 11th grade students a 'snapshot' of their mathematics and English/language arts proficiency. The test incorporates the CSU's placement standards into the California Standards Tests for English and math.

The EAP identifies students—before their senior year—who need to do additional work in English and/or mathematics prior to entering the CSU. The EAP informs students, families, and high schools of a student's readiness for college-level work in these subjects. Most importantly, it provides an opportunity for the high school to work with the students while they are enrolled in 12th grade to help them to master the requisite English and math skills expected of a graduating high school senior. Attached to this testimony is a copy of CSU's PowerPoint that provides more detail about the three key components of the EAP: (1) early assessment in 11th grade in English and mathematics, (2) supplemental high school preparation in 12th grade, and (3) teacher professional development designed to equip high school English and mathematics teachers with the tools necessary to ensure student mastery of the content standards. Although the EAP is voluntary, over 186,000 students took the EAP test last year.

### *"Steps to College" Poster*

Another important outreach effort is our "Steps to College" poster. For the next wave of California's students, many of whom are the first in their families to go to college, planning information is critical. The CSU created this popular poster, which describes for middle and high school students (grades 6 -12) and their families the steps they need to take to prepare and apply for college and financial aid. The poster, which has served as a model for similar publications at universities from Nevada to Pennsylvania, won a silver medal in the CASE Circle of Excellence International competition.

For the last six years, we have distributed copies of the poster in English and Spanish to middle and high schools throughout California. Last year, we partnered

with Boeing to create additional English/Spanish versions of the poster and expand the distribution to local libraries and youth organizations. We also partnered with three Asian newspapers to print and distribute copies of the poster in Chinese, Korean, and Vietnamese.

#### *Community Partnerships*

Over the past year, CSU has held town hall meetings with African-American, Hispanic, and Vietnamese communities to discuss how collectively we can better reach out to and serve students in those communities. We are continuing to meet with working groups from these and other traditionally underrepresented communities to help them to maximize their chances for success in higher education by providing information on how to prepare academically and financially for college. We are sharing with these communities the value of a CSU education as the bridge to economic opportunity and professional success. In addition to providing information to students and their families, the CSU is providing an opportunity to inform leaders and members of these communities about CSU's role and impact on educating African American, Hispanic, and Vietnamese students. These activities are building long-term partnerships with African American, Hispanic, and Vietnamese community leaders who work with and influence the youth in their respective communities.

#### *Super Sunday*

For example, CSU is working with churches in the Los Angeles Basin that serve large African-American congregations in an effort to increase the pool of African-American students, particularly male, to be eligible to attend a four-year university. Earlier this year, we held "Super Sunday" at West Angeles Cathedral and other churches in the Los Angeles area to provide information for students and their families about college. We went to eight churches and reached over 20,000 people. We handed out the "Steps to College" poster to about 10,000 parents, grandparents and students. Our follow-up has created a contact person at every church who is dedicated to college knowledge and college preparation. Previously only one church had a contact person for higher education. In the near future, we will be holding similar events in the Oakland area.

We have also partnered with the Tomas Rivera Policy Institute and Sallie Mae on a large grant to support "Kids to College," aimed at helping sixth graders in underserved communities learn what it takes to get to college.

#### *Foster Youth*

In 1996, the California Legislature called upon the CSU and the California Community Colleges (CCC) to expand access and retention programs to include outreach services to emancipated foster youth in order to encourage their enrollment in a CSU or a CCC. The CSU and the California Community Colleges were asked to review housing issues and to provide technical assistance to assist those prospective foster youth students in completing admission applications and financial aid applications for students who voluntarily disclosed their status as emancipated former foster youth.

The Independent Living Program (ILP), administered by the California Department of Social Services (CDSS) through the local county social services departments and through the CCC, enables eligible foster youth to achieve self sufficiency prior to leaving the foster care support system by providing independent living skills assessments and providing services based on them. The ILP coordinators work with local area CSU campuses and county foster youth programs to provide outreach and student services. At the request of Chancellor Charles B. Reed, CSU campuses developed programs that addressed the special needs of foster youth enrolling on their campuses, including special attention to counseling foster youth about housing opportunities available on campus and in the local community during the summer preceding enrollment, Thanksgiving vacation, winter recess, and spring break.

CSU Fullerton's Guardian Scholars Program is a representative example of activities in which many CSU campuses are engaged. The program is committed to supporting ambitious, college-bound students exiting the foster care system. CSU Fullerton provides a comprehensive program that contributes to the quality and depth of the student's university experience. It serves as a resource for young adults by assisting in their development and equipping them with the educational and interpersonal skills necessary to become self-supporting, community leaders, role models, and competent professionals in their selected fields.

Difficult situations and backgrounds have left some foster care youth with significant hardships in their lives. Many of these young people have overcome these challenges. Their academic performance in high school has qualified them to meet CSU Fullerton admission standards. As wards of the court, these foster care youth become emancipated at age 18 and are forced to make a difficult transition to adult-

hood often without traditional family support. By awarding a five-year scholarship, the Guardian Scholars program provides the opportunity to change individual lives and make dreams come true.

Each fall semester CSU Fullerton endeavors to admit ten new students into the Guardian Scholars program with an ultimate goal of reaching fifty scholars in the program at one time. In addition to all annual fees, academic tuition, textbooks and supplies, the program provides support to emancipated foster youth such as an orientation to university life, year-round, on-campus housing, on-campus student employment opportunities, one-to-one counseling, peer and faculty mentoring, financial aid application assistance, assistance with off-campus employment in career fields, and post-graduation career planning and assistance.

The Guardian Scholars program is a working partnership between the private sector and public agencies designed to achieve significant synergies which allow us to support our students effectively and cost-efficiently. CSU Fullerton, the Orangewood Children's Foundation, public agencies, and private citizens create a powerful team dedicated to assisting deserving foster youth to achieve their dreams of a college education, realize true independence and reach their full potential. We urge Congress to encourage these types of programs on a national level.

#### *California Veterans Education Opportunities Partnership*

The CSU has pledged to work with Governor Schwarzenegger and California's military base commanders to reach out to military men and women who are on active duty and who are exiting the service to facilitate their transition to college. Last month, the Governor announced the formation of the Veterans Education Opportunities Partnership, which will create a model for veterans' education by developing an academic outreach, admission, and enrollment plan that targets and assists the approximately 60,000 California veterans exiting military service each year. The partnership consists of senior administration officials, military leaders, and leaders of the CSU, UC, and the CCC system. The partnership will seek to work cooperatively to provide education opportunities to veterans who are California residents or who are stationed in California at the time of their exit from the military.

The total active U.S. Military force includes 1.42 million men and women of whom 160,000 (11.2 percent) come from California. Approximately 175,000 active duty men and women are stationed in California. An additional 25,000 serve in the Reserves. The Montgomery GI Bill education benefit is the number one reason American men and women enter the U.S. military. Therefore, each member of the military pool of over 200,000 men and women serving in California is a potential candidate for admission to one of California's 109 California Community Colleges, 23 CSU campuses, and 10 UC campuses.

Approximately 60,000 of a pool of over 200,000 men and women exit military service annually. According to the U.S. Department of Defense, the average age of exiting Veterans is 25.3 years. Eighty-four percent are male, and sixteen percent are female. Ninety-six percent of exiting Veterans are enrolled in the Montgomery GI Bill, but only fifty percent are using their Montgomery GI Bill benefits. The CCC, the CSU, and the UC represent education opportunities for exiting Veterans, both for California residents and for service members stationed in California.

A Memorandum of Understanding implementing the California Veterans Education Opportunities Partnership will be signed by the Governor Arnold Schwarzenegger, Chancellor Charles B. Reed for CSU, President Robert C. Dynes for UC, and Chancellor Mark Drummond for the California Community Colleges. The MOU will implement California's vision to be the leader in becoming "Veteran friendly" for college and university education. California will become the model state for Veteran education and will ensure Veterans who are California residents or who are stationed in California at the time of their exit from the military access to California colleges and universities.

#### *MESA (Math, Engineering, and Science Achievement)*

Since 1970, MESA's academic development programs have supported educationally disadvantaged students to encourage them to excel in math and science studies and to graduate with degrees in engineering, science, and technology. MESA tries to reach economically and educationally disadvantaged students. This program involves the CSU, University of California (UC), California Community Colleges, Independent Colleges, and industry partners. It is funded by the California legislature, corporate contributions, and grants.

The MESA Schools Program serves middle and senior high school students throughout California to introduce them to math and science. MESA supports their mastery of these content areas in an effort to encourage them to enroll in college in math-based majors. This program partners with teachers, administrators, school

district officials, and industry representative to provide an academic enrichment model. The MESA Community College Program supports community college students so they will transfer to four-year universities as majors in math, engineer, science, and technology. The MESA Engineering Program centers provide support to educationally disadvantaged students at four-year colleges to attain engineering or computer science baccalaureate degrees.

Seventy-seven percent of MESA students successfully complete Algebra I before the 10th grade. More encouraging, fifty-four percent complete the CSU and UC college preparatory high school course pattern consisting of fifteen courses. Of MESA high school graduates, fifty-seven percent enrolled in college as math, science, or engineering majors.

Nine of nineteen MESA pre-college sites and eight of ten MESA engineering programs are located on CSU campuses. Fifty-seven percent of MESA's pre-college students were served by centers located on CSU campuses, and for the past five years, over twenty-five percent of MESA high school graduates have enrolled at a CSU campus. Nearly fifty percent of MESA community college students transferred to CSU campuses.

#### *TRIO and GEAR UP*

"The California State University joins the education community in full support of the GEAR UP program, which is vital to preparing underrepresented students for college, encouraging persistence and ultimately graduation. Skills gained through the GEAR UP program will reduce the need for remediation, saving students and institutions time and money. This is a program we can all be proud of for what it does for students."

*California State University Chancellor Charles B. Reed.*

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) was authorized in the Higher Education Amendments of 1998 to provide low-income middle school students the skills, encouragement, and academic preparation needed to enter and succeed in high school and postsecondary education through partnerships between schools, universities, the private sector, and community organizations. GEAR UP provides six-year grants to states and partnerships to strengthen academic programs and student services at participating high-poverty middle and high schools. Grantees serve an entire cohort of students beginning no later than the seventh grade and follow the cohort through high school. GEAR UP funds are also used to provide college scholarships to low-income students.

Eleven CSU campuses have been designated as the fiscal agent for GEAR UP Partnership Grants totaling over \$112 million since the inception of the program in 1999. These partnerships include at least one low-income middle school and at least two other partners. CSU campuses are also participants in other partnership grants for which a local school district is the fiscal agent. For example, four CSU campuses are participating in five 2005 partnerships: CSU Long Beach is a participant in a partnership grant awarded to the Bellflower Unified School District; CSU Northridge, with two partnership grants awarded to the Los Angeles Unified School District (LAUSD); CSU Dominguez Hills, with LAUSD; and San Diego State University with Sweetwater Unified School District.

An example of a successful GEAR UP program at CSU East Bay is Successful Options for Academic Readiness (SOAR). The campus received a \$2.808 million federal GEAR UP Partnership Grant to promote access to and success in higher education for low-income students enrolled in 7th grade in 14 of Oakland's middle schools. SOAR consists of four strands that will affect the needs of the middle school students: an academic strand, a parent strand, a partnership strand, and a systemic change strand. In addition to the partnership grants received by CSU campuses, California was awarded a second State GEAR UP Grant for a total of \$21 million over six years, having just completed administering its first six-year grant totaling \$30 million that was awarded in 1999. A total of 196,000 low-income students in 187 middle schools in 80 school districts have been served by California GEAR UP. The number of schools represents 15.6 percent of all middle schools in California. The number of students represents 31 percent of all students who attend a low-income middle school in California. California receives the largest amount of GEAR UP resources of any state.

An important outcome of GEAR UP is the documented increases in student academic preparation. California GEAR UP middle schools have offered more college preparation classes, and the number of students taking college preparatory courses has grown.

- Participating GEAR UP middle schools have increased the number of college preparatory sections in English/Language Arts by 54 percent; Mathematics, by 46 percent; Science, by 24 percent; and Social Sciences, by 92 percent;
- 20 percent more students are enrolling in Algebra in middle schools;
- 64 percent of the students are enrolled in advanced mathematics courses in high school; and
- 48 percent of the students are taking Honors level courses in English in high school.

GEAR UP is distinct from other federal and state initiatives. This program employs partnerships committed to serving and accelerating the academic achievement of cohorts of students through their high school graduation. GEAR UP partnerships supplement rather than supplant existing reform efforts, offer services that promote academic preparation and the understanding of necessary costs to attend college, provide professional development, and continuously build capacity so that projects can be sustained beyond the term of the grants.

The CSU notes that the Higher Education Act (HEA) reauthorization legislation, which originated in this subcommittee and recently passed the House, maintains TRIO and GEAR UP as separate programs, and CSU thanks you for that. The CSU joins the higher education community in support of both the TRIO and GEAR UP programs and proposes that these important programs be expanded to serve an increased number of disadvantaged and low-income students. The TRIO and GEAR UP programs are vital to preparing underrepresented students for college, encouraging persistence and ultimately graduation. Skills gained through the TRIO and GEAR UP programs reduce the need for remediation, saving students and institutions time and money. While these programs complement each other, each has a unique purpose and method, and each serves a unique cohort of students. Accordingly, the CSU supports keeping these two programs distinctly separate and complementary.

In the spirit of today's topic to encourage more public-private partnerships to complement federal investment in student aid, the CSU proposes three modifications to the TRIO and GEAR UP programs. First, the TRIO program should be expanded to include community-based organizations with experience in serving disadvantaged youth. Second, incentives should be created within both programs to encourage middle schools and high schools to form partnerships with colleges to develop college preparatory programs for disadvantaged students. Third, incentives within these programs should be created to encourage and prepare underrepresented students to pursue coursework and careers in fields such as science, technology, engineering, and mathematics (the "STEM" fields).

#### *Federal Financial Aid*

**Pell Grant Program**—The Pell Grant program continues to represent the foundation of federal student financial aid programs. As the most need-focused federal student aid program, a strong Pell Grant program is essential to closing the gap in college enrollment and completion that exists between low-income students and their more affluent peers. A continued commitment to the Pell Grant program, and to increases in the maximum Pell Grant award, are essential to ensuring access for disadvantaged students. Across the CSU System, 116,000 students receive \$318 million in Pell Grant awards. The average CSU Pell Grant recipient receives \$2,724 per year from the Pell Grant program, and Pell Grants account for 19 percent of the funds awarded to CSU students. On behalf of CSU students across California, I would like to thank the members of the Committee for that support. I also note that HR 609, the College Access and Opportunity Act, increased the authorized maximum Pell Grant award. I would urge members of the subcommittee to work with the Appropriations Committee to increase the funded maximum award.

In addition, there continues to be a need for a year-round Pell Grant. Year-round study enables students to complete their academic degree in less time than might otherwise be required. This reduces the amount of time that a student spends in school, saves the student money (and reduces borrowing), and permits more efficient use of campus facilities and resources at a time when those resources are being stretched due to increasing enrollments and tight state budgets. Increasing enrollment demand will be a national trend for the foreseeable future, and we fully expect a number of institutions to utilize a year-round calendar as a resource management strategy. Such a move may also increase student persistence and graduation from college.

The CSU strongly endorses the subcommittee's efforts to provide additional Pell Grant funds to students for year-round study. On behalf of the CSU, I also want to thank you for including specific provisions which will allow students at the CSU and at other institutions serving large numbers of non-traditional students to par-

ticipate. Finally, I would also note that probably the most beneficial year-round Pell grant provision, both for students and for institutions, would be to permit utilization of Pell Grants for students who enroll for summer study in order to complete their remaining degree requirements, even if they do not need to enroll full-time, rather than having them enroll for an entire term in the subsequent academic year. Such a provision should be open to students at any Title IV eligible institution.

**Campus-Based Programs**—The Campus-Based programs (Perkins Loans, Federal Work-Study, and Supplemental Educational Opportunity Grants (SEOG)) are vital to the CSU's efforts to attract, retain, and graduate disadvantaged students. Unique to these programs is the flexibility they provide to financial aid administrators to package aid awards to best meet the needs of their students. In addition, these programs require an institutional match, which leverages the federal investment to provide even more aid to more students. The CSU knows that these programs work, and joins the higher education community in urging increased funding for them. In addition, we thank you for continuing the Perkins Loan program, and again ask members of the subcommittee to work with the Appropriations Committee to fund the Perkins Loan capital contribution.

#### *California Financial Aid*

California is unique in that its Governor and Legislature enacted a state grant entitlement program in 2000. This historic financial aid program opened university doors for thousands more students. By taking this bold step, California announced to all financially needy students that if they earn the grades and are eligible for college, they are assured a state grant to help pay the entire cost of CSU fees as well as fees at the UC and grants to offset part of the tuition at other eligible California colleges.

Because of fiscal constraints in 2000, however, some provisions were included in the authorizing language restricting entitlement grants to students under the age of 24. Because of this restriction, the state also implemented a Competitive Cal Grant program with a limited number of grants. Recently, legislation was introduced in the California Legislature to expand further the eligibility for Cal Grant Entitlement awards by increasing the eligibility for the entitlement grant from 24 to 27 and by doubling the number of competitive grants.

#### *Summary*

All of these partnerships, and many, many others at our campuses, do more than simply enrich our existing programs. They serve as launching pads from which we are able to create new initiatives and ideas, and they allow us to identify and meet the ever-changing needs of our state's vital industries. The end result is better preparation of students who are ready to enter the working world, filled with current and relevant knowledge that will allow them to "hit the ground running" in their chosen fields. It is these graduates who will form the basis for our future workforce, and our nation's future economic success.

Thank you again for taking the time to hear about the CSU system and its public/private partnerships. Thank you also for your support for the federal student financial aid programs that are so important to CSU students. I will be glad to answer any questions you might have, and look forward to working with you in the future.

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Chairman KELLER. Mr. Salandy.

#### **STATEMENT OF RASSAN SALANDY, DIRECTOR OF UNIVERSITY RECRUITMENT AND PUBLIC RELATIONS, THE POSSE FOUNDATION**

Mr. SALANDY. Good morning and thank you for inviting the Posse Foundation to testify before this distinguished group. My name is Rassan Salandy, and I am the Director of University Recruitment for the Foundation.

The Posse Foundation began back in 1989 because of a student who said I would have never dropped out of college if I had my posse with me. Now, back in the '80's, posse was sort of a cool term. Unfortunately, it no longer is. But the idea is basic, you know, a group of friends going off to school that can provide a support network for each other.

So that is exactly what the Foundation proceeded to do, which was locate students, multi-cultural, and place them in a multi-cultural team of 10 or so to be a network of support and also be catalysts of change on campus.

To date, we have sent over 1,500 students off to college. They have won over \$142 million in college scholarships, and they are persisting at a rate of 90 percent.

Let me say that again. They are persisting at a rate of 90 percent, which I am sure most of you know is well above the national average.

We have got three goals. The first goal is to expand the pool from which top and selective universities recruit students. The second goal is to transform campus environments so they can become more welcoming places to students from all backgrounds. And, finally, we want to provide the kind of support our students will need to graduate and take on leadership positions in the workforce.

So, to accomplish that, the program is divided into four parts. We have got a screening process, we have got an 8-month pre-collegiate training program, a 4-year on campus program and a career program; and, if I have time, I would like to talk about each of these in turn.

The interview process, what we have got—what we use is a tool called the Dynamic Assessment Process, dynamic because it places students in an interactive situation. It allows us to really zero in on those students who show exceptional leadership qualities and academic promise. It is a tool that has worked for us.

Beginning from—so if a student is selected for a Posse scholarship, beginning from January all the way through to August, 8 months, every week they meet for 2-hour weekly workshop sessions with their peers and posse staff to work on issues related to leadership development, academic preparedness, team building and cross-cultural dialog.

Once on campus, they hit the campus—they hit the ground running, really. They continue to meet weekly with their peers in group meetings and also with a mentor that is established by the universities we partner with to get advice. We as a Posse staff also make visits to the campuses to check in with campus liaisons and mentors and our students.

There is also a program component called the campus PossePlus Retreat, which is an effort to bring the larger campus community into the dialog and conversation that is taking place within Posse cohorts.

Once students graduate and even during their time, we also have a career program that does what you think a career program ought to do, which is provide assistance in writing resumes and how do you conduct yourself in an interview. But we have also managed to develop some pretty incredible partnerships with high-profile companies and organizations that offer our students internships and other career-enhancing opportunities.

So I hope what is becoming obvious about the program and what is unique about it is how comprehensive it is. It starts with the student in their high school years, and it follows them through to graduation and even into the workforce, and I think that is what make the Posse Foundation program unique.

There are thousands and thousands of students whom programs like Posse could reach with increased governmental support to institutions of higher education. What we are seeing time and time again is that, even with scholarship awards, many students are struggling to make ends meet. Without Federal funding, programs like ours cannot grow or work on a large scale. The selective universities and colleges with whom we work are dependent on Federal funding, the Federal funding they receive, in order to recruit a diverse socioeconomic student body.

Our partner institutions financially support our students as much as they can, but if they have to fully fund or to fund in great proportions every poor kid who qualified, they couldn't afford a program like Posse.

In summary, what we are able to do for the urban students we serve, a student population that is really high need, depends critically on the financial aid packages that our university partners are able to offer our students.

Thank you.

Chairman KELLER. Thank you, Mr. Salandy.

[The prepared statement of Mr. Salandy follows:]

**Prepared Statement of Rasan Salandy, Director of University Recruitment and Public Relations, the Posse Foundation**

*The Posse Mission*

Posse started because of one student who said, "I never would have dropped out of college if I had my posse with me." The Posse Foundation, founded in 1989, identifies public high school students with extraordinary academic and leadership potential who may be overlooked by traditional college selection processes. The Foundation extends to these students the opportunity to pursue personal and academic excellence by placing them in supportive, multicultural teams ("Posses") of 10 students. Posse recruits outstanding student leaders in Boston, Chicago, Los Angeles, New York, and Washington, D.C and sends them to some of the top colleges and universities in the country. This year alone, over 6,500 students competed for 305 slots. Posse has become a highly selective program whose reputation continues to grow. Nevertheless, there is still much room for growth.

Posse's partner universities and colleges award Posse Scholars four-year, full-tuition leadership scholarships. Currently, Posse has partnerships with 24 competitive colleges and universities. They are: Babson, Brandeis, Bryn Mawr, Bucknell, Carleton, Claremont McKenna, Centre, Colby, Denison, DePauw, Dickinson, Franklin & Marshall, Grinnell, Hamilton, Lafayette, Middlebury, Oberlin, Pomona, Trinity, Union College, University of Illinois-Urbana-Champaign, University of Wisconsin-Madison, Vanderbilt, and Wheaton. These incredible institutions work together with Posse to provide students the support they need to become outstanding leaders.

The Posse Foundation has three goals. Posse aims to 1) expand the pool from which top colleges and universities can recruit outstanding young leaders from diverse backgrounds, 2) help these institutions build more interactive campus environments so that they can become more welcoming institutions for people from all backgrounds and 3) ensure that Posse Scholars persist in their academic studies and graduate so they can take on leadership positions in the workforce. Moreover, The Posse Program achieves its goals through four program components: 1) The Dynamic Assessment Process (DAP), 2) an eight-month Pre-Collegiate Training Program, 3) a four-year Campus Program, and 4) Posse's Career Program. What follows is a description of each of these components.

*Recruitment*

From September to December each year, Posse conducts the Dynamic Assessment Process (DAP), a unique evaluation method designed to identify young leaders who might be missed by traditional admissions criteria, but who can excel at selective colleges and universities. Using non-traditional forums to evaluate potential, DAP offers students an opportunity to demonstrate their intrinsic leadership abilities, their skill at working in a team setting, and their motivation and desire to succeed.



DAP has proven to be an extremely effective tool for identifying outstanding young leaders. In a three-part process, including large group and individual interviews, Posse staff and university partner administrators ultimately select a diverse group of 10 students for each college or university, thus forming a “Posse.”

#### *Pre-Collegiate Training*

From January to August of their senior year in high school, Posse Scholars meet weekly with staff trainers and their Posse peers for two-hour workshops. The Training Program consists of workshops that address four areas: 1) team building and group support, 2) cross-cultural communication, 3) leadership and becoming an active agent of change on campus and 4) academic excellence. The goal of the training program is to prepare Scholars for leadership roles on campus and for the high-level academic expectations of their colleges.

#### *The Campus Program*

Posse continues to offer support to Scholars once on campus. The Campus Program works to ensure the retention of Posse Scholars and to increase the impact of the Scholars and the Program on the college campus. Posse staff members visit each university four times a year for meetings with Posse Scholars, campus liaisons, and on-campus mentors. Each mentor meets weekly with the Posse as a team and with individual Scholars every two weeks during the first two years in college. In addition, Posse facilitates an annual weekend-long PossePlus Retreat attended by members of the larger student body, faculty, and administration, with the goal of discussing an important campus issue identified by Posse Scholars.

#### *The Career Program*

The Career Program—which consists of an internship component, career services, and an alumni network—supports Posse Scholars as they transition from being leaders on campus to becoming leaders in the workforce. Posse plays an integral role in the professional development of these young people by providing them with the tools and opportunities necessary to secure highly competitive and career-enhancing internships and jobs. One of the ways Posse achieves this is by partnering with exceptional companies and organizations, both nationally and abroad.

#### *Accomplishments*

Since 1989, Posse has sent over 1,500 students to selective colleges and universities across the country. Posse Scholars have won over \$142 million in scholarships and are persisting in their studies, graduating at a rate of over 90 percent—a rate significantly higher than the national average. Moreover, Posses are having a dynamic effect on campus. Posse Scholars are joining and assisting existing student organizations, sometimes helping more tentative groups to feel more comfortable voicing their concerns and achieving their goals. They are establishing new student-run organizations on campus that continue after they graduate. In fact, over 70 percent of Posse Scholars found new campus organizations or go on to become presidents of already existing ones. Posses also help to increase the numbers of Latino, African American, Asian, and other students from diverse backgrounds in the student populations at Posse partner institutions by helping to make the campus more appealing to students from all backgrounds. The benefits of the program extend well beyond the success rates of individual scholars.

#### *Long-Term Goals*

Posse currently has over 300 alumni and, as mentioned above, is partnered with 24 highly selective universities and colleges. By the year 2020 The Posse Foundation expects to be operating out of 10 cities, partnered with approximately 80 universities, and boasting an alumni network of over 7,000. Posse is an organization driven by the belief that more can be done to identify students with exceptional promise and academic ability. These are extraordinarily talented and motivated young people who, if just given the opportunity, will excel.

#### *The Posse Concept*

The concept of a Posse works for both students and college campuses, and is rooted in the belief that a small, diverse group of talented students (a Posse) carefully selected and trained, can serve as a catalyst for increased individual and community development. As the United States becomes an increasingly multicultural society, Posse believes that the leaders of this new century should reflect the country's rich demographic mix, and that the key to a promising future for our nation rests on the ability of strong leaders from diverse backgrounds to develop consensus solutions to complex social problems. The primary aim of the Posse Program is to cultivate these leaders of tomorrow.

Chairman KELLER. Mr. Merisotis.

**STATEMENT OF JAMIE P. MERISOTIS, PRESIDENT, THE  
INSTITUTE FOR HIGHER EDUCATION POLICY**

Mr. MERISOTIS. Thank you very much, Mr. Chairman and Ranking Member Kildee, Chairman McKeon and members of the subcommittee. Thank you for the opportunity to be here.

Improving access to higher education continues to be one of the most important contributions that the Federal Government can make to our national well-being. But I believe that we now stand at a critical juncture and face a great risk of creating a society cleaved along very distinct lines, those who are able to go to and complete college and those who are not.

According to the Census Bureau, while 75 percent of high-income students enter college today, only 31 percent of low-income students do. Federal Advisory Committee on Student Financial Assistance Data clearly show that limited financial aid and declining affordability is already prohibiting hundreds of thousands of college qualified high school graduates from attending college.

So the discussion about Federal policy and paying for college must focus on making educational opportunities possible for those who otherwise would not do so. It is not simply that it is the right thing to do, but it is that it is in our collective economic and social self-interest to do so.

As the chairman has already noted, workers who have gone to college have low unemployment rates; and projections show almost all of the future job growth is in fields that require a college education. The significantly higher earnings for college graduates result in more government revenue that supports our national defense, economic development and Social Security. Increasing the number of college graduates also saves millions of dollars in avoided social expenditures every year as a result of improved health, reduced crime and reduced welfare and unemployment.

Unfortunately, it is not hard to look at the recent Federal policy environment for higher education and conclude that there has been very little attention paid to the public good that higher education contributes to our society. The debate over the Higher Education Act reauthorization, the President's budget and the disappointing \$12 billion in cuts made in the reconciliation bill last year all suggest that this Congress is focused on the belief that individuals are the primary beneficiaries and therefore should shoulder the burden of paying, adding to what the Chronicle of Higher Education recently said is a growing divide between the haves and the have-nots.

I believe it is imperative to focus Federal policy in this area on four key issues:

First, we must invest in need-based student aid as the best and most effective way to promote access to postsecondary education. The maximum Pell Grant today pays for less than half of the average price of attending a public 4-year institution compared to what it paid for in 1980. There has been no substantial increase in the Pell Grant maximum over the last 5 years, even as college prices continue to rise at a rate higher than inflation and family incomes. While more money is being spent on the Pell Grant program, the

overwhelming reason is simply that more students qualified, that is there are more poor people who are eligible for the program.

Meaningful increases in support for the Pell Grant program should be a centerpiece of efforts to make a college opportunity possible. We also need to look hard at student loans. They are critical in mitigating some of the effects of rising tuition, but they also have the potential negative effect of increasing student debt.

One way to meet these seemingly divergent goals is to increase loan limits modestly for first and second year students, while also developing new opportunities for students to receive a low interest rate that reflects our commitment to their future and the benefits that they will provide to us as a society.

On the other hand, strategies such as increasing tax benefits to reduce tuition expenses will have little if any affect on the populations most in need of further access to higher education. Many low-income student do not qualify for tuition tax benefits, and there is no evidence that tax benefits increase postsecondary education enrollment, a key reason to invest limited taxpayer resources.

Second, we must decisively and unequivocally support increased investment in Upward Bound, Talent Search and GEAR UP as essential components of our national access strategy. These critical programs serve as key vehicles for improving the higher education prospects for low-income, first-generation and disabled students, as Mr. Jones has already noted. Nearly one-third of all low-income high school graduates who actually enroll in college have been served by a Federal TRIO program, an incredible record of achievement.

The fundamental problem for Upward Bound, Talent Search and GEAR UP is not under performance. It is a simple fact that limited funding has allowed them to serve less than 10 percent of the eligible populations.

Third, we must strengthen the capacities of minority serving institutions to educate the Nation's emerging majority populations. Tribal colleges, Hispanic-serving institutions and historically black colleges represent some of the Nation's most important but underserved postsecondary resource. Given that they serve a high proportion of under prepared and underfinanced students, we must make minority serving institutions central to our overall strategy of improving student access and success.

Finally, we must engage the private sector in this campaign to help students go to college, but only as a complement, not a substitute to the critical support provided at the Federal level.

As chairman-elect of Scholarship America, the Nation's largest private-sector scholarship organization, I know well that the more than \$3 billion in scholarship aid provided by local communities, businesses and employers is important to those who receive it. But a significant proportion of private aid is not need based, and low-income students and minorities are less likely than more affluent students and whites to receive private support.

It is important to emphasize that private aid is not a substitute for government investment in need-based financial aid and can't ever replace what is our essential Federal role of equalizing opportunity for students with needs. In these times of increasing concern

about homeland security, global competitiveness and national economic growth, investing in increased Pell Grants, reduced interest on student loans, increased support for TRIO programs and minority serving institutions and increasing encouragement of private-sector investment and grant aid are key strategies that can make a difference in the lives of today's most marginalized and underserved students.

Thank you very much.

[The prepared statement of Mr. Merisotis follows:]

**Prepared Statement of Jamie P. Merisotis, President Institute for Higher Education Policy**

Chairman Keller and Ranking Member Kildee: Thank you for this opportunity to appear before you.

It has taken centuries for our nation to construct the higher education system of today. Step by step, the country has built public and private universities, then sought to widen their reach through legislation like the Morrill Act (1862) that promoted "the liberal and practical education of the industrial classes"; the GI Bill (1944) that provided educational benefits to World War II veterans; the Truman Commission and its support for community colleges; of course the Higher Education Act of 1965 that seeded today's federal student aid system; and the Pell Grant (1972) program that created federal grants for low-income students.

As each successive change has opened the doors to higher education, something equally if not more important has happened at the same time: the value of a college degree—indeed, the need for a college degree—has grown even faster. But we now stand at a critical juncture. We face a great risk of creating a society cleaved along a very distinct line: those who were able to go to and complete college, and those who were not. It is true that we have always had these two groups in our society. But in the future this division will be far more stratifying, far more oppressive for those without a college degree, than we have seen historically.

So who are we really talking about? According to data from the U.S. Census Bureau, while 75% of high-income students enter college today, only 31% of low-income students do. Federal Advisory Committee on Student Financial Assistance (ACSFA) data clearly show that limited financial aid and declining affordability is already prohibiting hundreds of thousands of college-qualified high school graduates from attending a four-year institution in 2002, and over 40 percent of those students will not enter postsecondary education at all. Students with the highest test scores from the lowest socioeconomic group attend college at the same rate as students with the lowest test scores from the highest socioeconomic group.

The same story holds true for enrollments of students of color. Of traditional age students who go to college after graduating from high school, college enrollment rates are about 10 percentage points higher for whites than for African Americans or Hispanics. These gaps are even wider for adult and so-called non-traditional students.

We also need to consider the question of where students are enrolling. Former Princeton University and Mellon Foundation President William Bowen's data shows that only 11 percent of students at selective public and private institutions come from families in the lowest income quartile (about \$27,000 a year and under) and only 6 percent are first generation students.

So the discussion about federal policy and about haves and have-nots, is about so much more than having and not having. A fundamental premise of our democracy is on the line, and the democratic ideals upon which our higher education system was founded are being undermined. While the nation's attempt to provide equal opportunity to all of its citizens has been halting at best, it has at least made progress over the past century. If we start to go backwards—shutting more and more people out of the opportunity afforded by higher education—we risk creating groups that are bitterly divided and undermining the balance that creates a nation's sense of shared interest. These groups are our fastest growing, and therefore most important, in the battle for our nation's economic and social well-being.

Research conducted both by my organization, the Institute for Higher Education Policy, and many other independent research groups demonstrates the dramatic benefits of the investment in higher education. These benefits have economic, social, public, and private dimensions. For example, statistics show that U.S. workers over the age of 18 with a high school diploma earn an average of \$27,280 annually, while those with a bachelor's degree who earn an average of \$51,194, or nearly double.

Over the course of a lifetime, those with a bachelor's degree earn an average of almost one million dollars more than those with a high school diploma. Workers who have attended college also tend to have low rates of unemployment, and analyses of job growth and employer demands typically suggest future job growth will be increasingly concentrated in fields that require a college education. One analysis found that in 1996, 62 percent of people working in the nation's most elite jobs—meaning the managers and professionals with the highest earnings—held a baccalaureate degree, and an additional 24 percent had some college experience.

Economic benefits also flow to society, on both a national and a regional basis. Higher earnings for college graduates result in more revenue for government coffers through increased tax collections. In addition, increasing the number of college graduates would save millions of dollars in avoided social costs every year, as a result of improved health, reduced crime, and reduced welfare and unemployment. For example, social costs for a 30-year-old White non-Hispanic woman with a college degree average \$800 per year less than the costs for one with only a high school diploma. The social costs saved for 30-year-old Black and Hispanic women with a college degree is even greater, averaging \$2,500. Experts estimate that the nation's Gross Domestic Product (GDP) would increase by \$231 billion—creating \$80 billion worth of new tax revenues—if college participation for students of color were raised to the same level as for non-Hispanic Whites. State and federal budget deficits may discourage policymakers from investing more taxpayer money into any area, but higher education provides a significant return on that investment.

Social benefits of postsecondary education also accrue to individuals and to the public. For example, people with more education tend to have greater health/life expectancy. In 2004, 93 percent of people age 25 and older who had attained a bachelor's degree described their health as good, very good, or excellent, compared to 82 percent of people whose highest level of education was a high school diploma. Public benefits from higher education include reduced crime rates, increased civic participation, and more charitable giving and volunteerism. For example, in 2004, 36 percent of people age 25 and older who had earned a bachelor's degree or higher reported they had ever volunteered for or through an organization, compared to 21 percent of people whose highest level of education was a high school diploma.

Given these benefits, the American public generally sees the need for at least some college education. A 2003 survey found that 87 percent of respondents thought a high school graduate should continue on to college instead of starting a job, 37 percent said that a college degree is necessary for success, and 76 percent felt that college is more important today than it was ten years ago.

Unfortunately, it's hard not to look at the recent federal policy environment for higher education and come to a sobering conclusion; namely, despite this evidence, the reality is that there has been very limited attention paid to the demonstrable public good that higher education contributes to our society. The debate over HEA reauthorization, the President's budget, recent trends in funding of programs, and the disappointing \$12 billion in cuts made in the reconciliation bill last year all clearly indicate that this Congress is focused narrowly on the belief that individuals are the primary beneficiaries and therefore should shoulder the burden of paying. Even with the veritable mountain of data that has been amassed to demonstrate that higher education does much more than simply provide individuals with greater earnings capacity, what we are spending most of our federal policy energy on is getting more for less, squeezing so-called inefficient institutions, and improving opportunities for middle income families, adding to what the Chronicle of Higher Education recently said is a growing divide between the haves and the have-nots.

It's also increasingly apparent that politics has trumped policy when it comes to higher education. With the exception perhaps of the deliberate strategy being taken by the National Commission on the Future of Higher Education appointed by Secretary Spellings, there has been virtually no effort to have a reasoned public debate about higher education and its importance to the nation. There has been no serious effort to understand what happens if we leave more and more of our fastest growing and most vulnerable populations behind. This is not the way it has always been, despite our persistent cynicism in Washington. Funding for education, support for student opportunity—these have been hallmarks of bipartisan, collaborative efforts in the Congress, even in deeply partisan times in our past history—in 1998, during the Clinton impeachment debate, in 1980, with the Iran hostage crisis and crippling inflation, and in 1972, during what was then the beginning of the end for President Nixon.

Sometimes we get so caught up in the details of the policy debates—speaking a language that anyone outside of the small circle of policy technicians would find bewildering and nonsensical—that I think we lose sight of some of the simplest, most

straightforward strategies. So here are just a few ideas about what I think needs to be done:

First, we must invest in need-based student aid as the best and most important way to promote access to postsecondary education. In the early 1990s, a bipartisan federal commission called the National Commission on Responsibilities for Financing Postsecondary Education (for which I served as Executive Director) issued a widely-circulated report called *Making College Affordable Again*. The legislation creating the commission, authored by Senator Jeffords of Vermont in the late 1980s, noted that the purchasing power of aid had been rapidly declining through the decade of the 1980s, leading to increasing concerns about access to postsecondary education. In commenting on the legislation, Senator Jeffords noted, "Without affordable postsecondary education, without national support for meaningful access for able students to take advantage of higher education opportunities, we will not be able to accomplish any of the objectives that we strive for as a nation and a leader of nations." The final report of the commission, issued in 1993, recommended several important improvements to federal student aid, many of which have subsequently been enacted. But the Commission's major recommendation—to guarantee access to higher education for all students, based on a sliding subsidy scale tied to financial need—remains elusive. Regrettably, many of the commission's concerns regarding affordability and accessibility resonate even more profoundly with students and families more than a decade later.

I firmly believe that investment in need-based financial aid is the best and most important contribution that the federal government can make to keeping the dream of a college education a reality for all Americans. The declining purchasing power of federal aid continues to be a critical barrier to access to higher education. The maximum Pell Grant today pays for less than half of the average price of attending a public four-year institution compared to what the maximum Pell Grant paid for in 1980. There has been no substantial increase in the Pell Grant maximum over the past five years, even as college prices continue to rise at a rate higher than inflation and family incomes. While more money is being spent on the Pell Grant program, the overwhelming reason is simply that more students qualify—that is, there are more poor people who are eligible for the program. Meaningful increases in support for the Pell Grant program should be a centerpiece of efforts to make college opportunity possible. Let's not pretend that these efforts to do more with less, or to do less with less, will do anything to dramatically narrow the opportunity gaps. Significant investment is the only thing that has worked in the past, and it's what needs to be done now.

We also need to look hard at student loans. Loans are not a preferred method of paying for college. But they are a reality in today's world of college financing. The key is to simultaneously increase loan limits for some students to mitigate some of the effects of rising prices while also limiting the potential negative effects of increasing student debt. One way to meet these seemingly divergent goals is to increase loan limits modestly, especially for first and second year students, while also developing new opportunities for students to receive a low interest rate that reflects our commitment to their future and the benefits that they will provide to us as a society.

On the other hand, strategies such as increasing tax benefits to reduce tuition expenses will have little if any effect on the populations most in need of further access to higher education. Many low income students do not qualify for tuition tax benefits—only about a quarter of the Hope and Lifetime tax credits go to students with adjusted gross incomes less than \$30,000—and there is some evidence that many eligible students do not claim the tax benefits, especially those from minority groups. Perhaps most importantly, there is no evidence that tax benefits increase postsecondary education enrollment—a key reason to invest limited taxpayer resources.

Second, we must decisively and unequivocally support programs such as Upward Bound, Talent Search, and GEAR UP as essential components of our national access strategy. These critical programs serve as key vehicles for improving the higher education prospects of low-income, first-generation, and disabled students. The programs provide a continuum of services from pre-college to pre-graduate level study for the nation's low-income, first-generation, and disabled students. In FY 2006, the \$828 million in funding for TRIO programs supported more than 850,000 students in over 2,700 distinct TRIO programs. Yet despite this support, less than 10 percent of the eligible populations are served by TRIO programs.

There are a total of seven TRIO programs. The pre-college programs include Talent Search, which provides counseling and information about college admissions requirements and student financial aid to young people in grades six through 12, and Upward Bound, which works with students starting in the 9th grade to provide instruction in literature, composition, mathematics, and science on college campuses

after school, on Saturdays and during the summer. In addition, Upward Bound Math Science helps students from low-income families to strengthen math and science skills, frequently providing research opportunities for underrepresented students, while Veterans Upward Bound provides intensive basic skills development and short-term remedial courses for military veterans to help them successfully transition to postsecondary education.

At the college level, Student Support Services programs provide tutoring, counseling, and supplemental instruction to help students stay in college through the completion of a degree, and in the case of community colleges, assist them in the transfer process. The Ronald E. McNair Post-Baccalaureate Achievement programs are designed to encourage low-income students and minority undergraduates to consider careers in college teaching as well as prepare for doctoral study. Students who participate in this program are provided with research opportunities and faculty mentors. Finally, the Educational Opportunity Centers located throughout the country primarily serve displaced or underemployed workers from low-income families with incomes.

For the last two years, the Upward Bound, Talent Search, and GEAR UP programs have inexplicably been proposed for elimination as part of the President's budget. Given their importance to the populations most in need of college access—nearly one-third of all low-income high school graduates who actually enroll in college have been served by a TRIO program—we must not only be categorically opposed to the elimination of these programs, but we should also support significant funding increases in each of these programs and not allow the diversion of funding from these proven programs to support other education initiatives.

Third, we must strengthen the capacities of minority-serving institutions (MSIs) to educate the nation's emerging majority populations. Tribal Colleges and Universities (TCUs), Hispanic-Serving Institutions (HSIs), and Historically Black Colleges and Universities (HBCUs) and other predominantly Black institutions represent some of the nation's most important but underserved postsecondary education resources. Combined, more than 1.8 million students are educated by these institutions. Most MSIs have taken on the responsibility for educating students who traditionally have been denied access to adequately funded K-12 schools, especially low-income, educationally disadvantaged students. As institutions that play a major role in educating the nation's emerging majority populations, HBCUs, HSIs, and TCUs are integral to the country's potential and promise. Given that these institutions educate the populations that are the fastest growing in the nation, it is clear that MSIs must be recognized as a leading voice for underrepresented populations.

I believe that several important steps could be taken to strengthen the capacity of MSIs. One is to expand both the appropriation and authorization levels of Titles III and V to ensure the continued development and growth of MSIs. Additional funding is required for MSIs to reach a level of financial stability that ensures the students enrolled at these institutions receive the same quality academic programs offered by majority institutions.

Congress also could take steps to encourage improvements in the infrastructure and application of information technology at MSIs. The digital divide between better-funded and endowed majority universities and MSIs has impeded MSIs' ability to deliver state-of-the-art programs in information technology-related areas. The Minority-Serving Institutions Digital and Wireless Technology Opportunity Act represents an enormous opportunity in this area. The legislation addresses an array of needs at MSIs by providing for both equipment and training, as well as allowing MSIs that are more advanced in their use of technology to partner with and mentor their peers. Moreover, the bill addresses systemic disenfranchisement by providing a means for partnership between MSIs and K-12 schools.

Investment in programs such as the Model Institutions for Excellence (or MIE) program, a ten-year NSF- and NASA-supported initiative that provided significant support to just six MSIs, can serve as a model for much more significant investment. The MIE schools concentrate on the recruitment and retention of students in the STEM fields (Science, Technology, Engineering, and Mathematics), counseling, academic enrichment, encouraging students to attend graduate school, and enhancing the education of their students. The results achieved by these six MIE schools has been impressive and could be replicated at other minority-serving institutions, and indeed at non-MSIs, in a way that could substantially improve our nation's capacity in these critical areas.

Fourth, we must engage the private sector in this campaign to help students go to college, and to tell the story about the payoff of investing in higher education, as complements—not substitutes—for the critical support provided at the federal level. When Secretary of Education Spellings met with college presidents, government officials, and business leaders last year as a prelude to the establishment of the Com-

mission on the Future of Higher Education, the discussion focused on improving higher education's capacity to enhance the nation's workforce and global competitiveness. Well, one way that the nation clearly does this is by helping students—the nation's future workforce—through financial aid. Last year, we released the first-ever national study on the role of private scholarship aid in the overall financing equation, called Private Scholarships Count, and found that private scholarships are an important part of the college financing equation, for numerous reasons.

Private aid is already a significant piece of the student aid pie. We estimate that private aid totaled more than \$3 billion in 2003-04, or 7 percent of all college grants awarded. Seven percent of undergraduates received private scholarships with an average value of just under \$2,000, 5 percent of graduate students received private scholarships averaging just over \$3,000, and 10 percent of professional students—students in fields like medicine and law—received an average of slightly more than \$5,000 in private scholarship aid. So clearly, private aid is not something trivial—more than \$3 billion a year makes private aid more than three times the size of the well-known federal Perkins Student Loan Program, and about one half of the entire support provided by all 50 states for student aid.

But perhaps equally as important as how much private aid exists is what it is used for. We found that private scholarships often complement the federal, state, institutional, and other aid that is given. One way they do this is by targeting primarily middle income students with support that improves their choice of institution. They also are useful in targeting support for diverse groups of students—ranging from foster children to students with unique academic talents to students who are deeply involved with their communities.

I think the private sector's commitment and support for helping students go to college should be better recognized and understood as a valuable complement to federal aid, but never as a way of supplanting the critical federal support. One specific way to do this is via the Leveraging Educational Assistance Partnership (LEAP) program, which encourages state governments to provide state tax dollars to assist students in their states to gain the critical benefits of postsecondary education. This program could be enhanced to leverage a much greater amount of aid for students if it were used to stimulate not just state dollars for student aid, but significantly increased private sector aid in each state as well. For example, in the state of Washington the legislature has provided small challenge grants to communities to encourage the creation of local scholarship fundraising chapters. As a result over 100 new volunteer-supported, community-based scholarship chapters are now raising money each year to help their local students pursue college, university, or vocational education. The current LEAP legislation could be modified to reward those states where significant increases in student aid are produced by working in partnership with local community-based scholarship providers. This idea dovetails nicely with the important recommendations of ACSFA in its partnership proposal that has been included in the Senate HEA reauthorization bill under consideration at the Committee level.

It is important to emphasize, however, that private aid is not a substitute for government investment in need-based financial aid. Private aid plays an important role in meeting specific needs of middle income students and special populations and plays a useful role in supporting institutional choice. But it cannot ever replace what is the essential federal role of equalizing opportunity for students with financial need. The example set last year with the \$12 billion in cuts to federal student aid is a disturbing development at a time when increasing access to higher education has clearly become a national security and economic competitiveness priority. Pell Grants and other federal need-based aid programs are the single most important and consistent resource for students struggling to pay for college, and should be the driving force behind any national conversation about college access and affordability.

In these times of increasing concern about homeland security, global competitiveness, and national economic growth, investing in what we know works best—federal support for students who otherwise wouldn't be able to go to college—is absolutely essential. Major investment in Pell Grants, reduced interest on student loans, increased support for TRIO programs and minority-serving institutions, and increased encouragement of private sector investment in grant aid are key strategies that can make a difference in the lives of today's most marginalized and underserved students. That is, in my view, the best way that the federal government can achieve the goals of prosperity, security, and harmony for all Americans.

Thank you for this opportunity to be here. I would be pleased to answer any questions you may have.



Chairman KELLER. I want to thank all of the witnesses for their testimony, and I will begin by recognizing myself for 5 minutes. Let me start with Mr. Davis.

One of the major employers in my area in Orlando and a hotel owner told me that the big benefit he sees from the Family Friendly Employer Act is that, while the existing IRS Tax Code allows him to put his employees through college and allows him to write that off, it doesn't allow him to put their children through and write that off. In fact, the janitors and maids who work in his hotels, frankly, don't want to go to college, but they have 17-year old kids in high school who very much do, the next generation.

As someone who owns a construction company, have you seen a similar experience in that and is that why you are involved in helping put seven of your employees' kids through college?

Mr. TOM DAVIS. That is exactly the reason. Our employees, you know, they don't want—they have already—they either had a chance when they were young to go to college—none of our employers have asked or have a desire that I know of to go to college, but all of their children do, and it is very important to them. And they—probably most of our field people, you know, that we are helping make \$35,000 a year, and they have five kids and a house and a car note, and they just can't do it.

So—but it is the kids that need the money. It is not the employees. I mean, we would pay for employees if they wanted to go, but none of them have asked.

Chairman KELLER. Well, thank you.

Mr. Jones, I am intrigued by your Super Sunday Initiative when you went into, I guess, eight different churches and parts of L.A., that a lot of times their young people don't go to college and you let them know about the opportunities. One of the things that struck me is I believe in the California system it is only about 2,500 bucks a year for the tuition, and I would imagine a lot of folks don't go to college or try to go to college because they don't think they could afford it.

Is part of your outreach and your Super Sunday Initiative to let people know what is out there and that it can be afforded through various grants and opportunities like you provide?

Mr. JONES. Yes, Mr. Keller. It is multi-phased, actually. The myth is largely that education is outside the reach of low-income families because of costs.

So, first of all, we want to be sure that families are aware not only of the cost—and the fees for the State university—you are correct—are about \$2,500 a year. There are still books and supplies, transportation, room and board, all of the other expenses; and when you total that together we are talking about a cost of attendance, on average, even for our system, of around 12 to \$13,000 a year.

Families need to know that financial aid is available, Pell Grant is the foundation for that. The State of California has Cal Grant Entitlement, one of the first in the Nation to have an entitlement State grant program; and the California State University trustees have dedicated \$200 million for that. But the key is the academic preparation as well. Students need to know about college, not just

financing but what does it take to be eligible in terms of meeting the academic expectations.

Chairman KELLER. Do you find that, meeting with those 20,000 people and passing out your 10,000 posters, that a lot of folks didn't know what financial aid options were out there?

Mr. JONES. Oh, I can guarantee you they did not know. No matter what we do, no matter what publicity, I think everybody at the table will tell you that is engaged in this—and I have been doing this for 37 years—no matter what efforts we make there is still a misunderstanding, a mystique that surrounds the cost and financing; and getting the message out of is critical.

Chairman KELLER. Mr. Salandy, sounds like the Posse program is an excellent program, a great track record, 1,500 students in college, 90 percent staying in school. I see that you have various universities that partner up with you, including your own alma mater, Vanderbilt. Tell me how that would work in terms of—let's say someone has been selected as one of the recipients of the 305 Posse slots and they want to go to Vanderbilt. Do you meet with the financial aid people at Vanderbilt to help them get a more attractive package or do you all cut the check for the very expensive tuition at Vanderbilt? How does that work?

Mr. SALANDY. The interesting thing about the program, we don't fund our students, and we don't give them a penny. It all comes from the universities with whom we partner. So a student who is nominated for a Posse scholarship and actually, I suppose, gets into Vanderbilt, let's say, Vanderbilt funds that student's entire tuition, that tuition portion of his or her college experience.

Chairman KELLER. That is as a result of a relationship you have established with the folks at Vanderbilt?

Mr. SALANDY. Right. So we have 24 partner institutions like Vanderbilt who say, you know, these are students we think are, you know, great kids, and we think they will be a huge benefit to our campuses. There are also students that are very often non-traditional that might be overlooked by traditional recruitment processes. So that is where the value and the benefit of working with Posse comes in.

Chairman KELLER. OK, Mr. Merisotis—I am sorry. My time has expired. I didn't get to my question to you. But let me recognize the ranking member, Mr. Kildee.

Mr. KILDEE. Thank you very much, Mr. Chairman.

First of all, I would like to thank Mr. Davis for wishing God's blessing upon us. We certainly need it individually and collectively, and I deeply appreciate that.

It is great to see in the audience George Conant, who used to serve on this committee, well-respected on both sides of the aisle and now with the California State University system. Welcome back, George.

Let me address a question to Mr. Merisotis. In your testimony, you discuss both how increased access to college would benefit our economy and how reduced interest rates would increase that access. I know that from 1945 when in my side of town in Flint, Michigan, the first people to go to college were those who had a GI bill of rights. Because no one went to college in the east side, but the GI Bill of rights really made that available.

As I mentioned earlier, Mr. Miller and I have introduced a bill which would cut the interest rates in half for subsidized student and parent loans; and I think we can all agree this and other programs would make college more affordable for many students. But could you expand on how this would be available investment in our economy, especially with the growth of the global competition?

Mr. MERISOTIS. Well, the lower interest rates I think, Mr. Kildee, are an excellent example of our investment in those students, because we reduce the expenses that they will accrue over time as well as what they will need to repay on their loans afterwards.

The prospect of debt and indeed the real consequences of student debt are enormous in today's society. They not only influence whether or not students go to college. They influence where they go to college, what happens when they are there, and what choices they make after college, what kind of job to take, where to live, what kind of lifestyle to lead.

So it is a very important investment I think for us as a society because we are investing in our own collective well-being. By that I mean that those individuals who get the college education, those individuals who choose the jobs that are most productive in our economy, are going to benefit all of us as a society because of the fact that they attended college and benefited from what is, frankly, a modest level of Government subsidy.

Mr. KILDEE. I can recall when my father and mother had five children and they could pick one of their children to go to college and, for some luck of the draw, I was the one. That is a terrible choice for parents, but I felt my brothers and sisters were at least or more intelligent than I, but they—my father did not have the resources. So there is a role for Government, and there is a role for business.

Mr. MERISOTIS. And you have seen the data that, in today's terms, if we had a GI Bill, the GI benefit would be \$10,000, compared to the maximum Pell Grant of \$4,050 today.

Mr. KILDEE. Mr. Jones, I have been very involved in the TRIO and GEAR UP program for years and have seen them work very effectively in my own State of Michigan. What would the effect of the President's proposal be to terminate those programs and how do you interface with the school districts in California on those programs?

Mr. JONES. Well the TRIO program is very, very important to California State University. With the five or six programs, we are serving probably close to 10 to 15,000 students through the TRIO program throughout the State. So many of the programs are designed for low-income, first-generation of students that we find any of the programs that are designed to help us reach out to students to help them to prepare academically and to help them to succeed once they reach the college, the California State University, those programs are very critical to us; and we would hope that there would be continued funding to support those.

Mr. KILDEE. Anyone have any comments on Mr. Merisotis and on the TRIO programs?

Mr. MERISOTIS. The TRIO programs represent such an enormous part of the potential investment, and it is not an investment in needs-based financial aid. It is an investment in the reality of the

life of those students. Counseling, tutoring, mentoring, that kind of support is absolutely essential in the lives of many low-income and disadvantaged populations, including first generation and disabled students; and those programs, again at a fairly modest level of investment, provide an extraordinary opportunity. I think the fact that a third of all low-income college students enrolled today participated in a Federal TRIO program has got to be one of our great Federal accomplishments in education policy.

Mr. KILDEE. What I have noticed in the TRIO program and GEAR UP program in Michigan—and I get out and interface between the colleges and the school systems—is that for some of these young people it is the first time in their life it has occurred that they could go to college. It is really an outreach program. Very often, they never realized that they could go to college; and this program really helps them realize that possibility.

Thank you very much.

Thank you, Mr. Chairman.

Chairman KELLER. Thank you, Mr. Kildee.

Members on our side, I want you to know that we will recognize you in order of appearance here today.

Next, Dr. Ehlers for 5 minutes.

Mr. EHLERS. Thank you, Mr. Chairman.

First of all, I want to commend you, Mr. Davis, for what you are doing. I think that is an ideal solution in many cases. A few questions on that.

When you provide these scholarships for the students, you pay the full cost, or do they have to get student loans in addition?

Mr. TOM DAVIS. All of our children, the seven we have in college currently, live with their parents and attend local college there in the Houston area. So we pay all their tuition, their books, lab fees, things like that. I mean, we don't pay their living expenses, because they live with their parents, but it is averaging about \$5,000 per child per year.

Mr. EHLERS. And the child can pick whichever school they want to go to?

Mr. TOM DAVIS. That is up to the child. I just want him to go to college.

Mr. EHLERS. OK, and if someone picked Harvard?

Mr. TOM DAVIS. Well, we might have to talk about it, but—

Mr. EHLERS. That might break the bank even further.

Well, thank you very much for what you are doing. I think that is outstanding.

Mr. Salandy, I hope I pronounce your name correctly. Again, I didn't quite get the picture of how you used the Federal funds that are available to you on this and how that correlates with the work the Foundation is doing. Could you just summarize that for me again please?

Mr. SALANDY. Definitely. So we work with selective colleges and universities, and they offer our students scholarships. But they are able to afford the program and offer those scholarships because they make up the difference of what financial aid does not award those students.

So since we are working out of urban centers—we are based in New York City, Boston, Chicago, L.A., and Washington, D.C—a lot

of our students tend to be high need. And we work in public high school systems. So the colleges that we work with can only afford the program and are only able to extend those scholarships to those students because of what they receive in financial aid. They make up that difference. Does that clarify things a bit?

Mr. EHLERS. Do most of these students live at home, too, in order to reduce costs?

Mr. SALANDY. No, they are on campus. They are living on campus, yes.

Mr. EHLERS. So your scholarship program doesn't cover any of the living expenses, does it?

Mr. SALANDY. No, it does not. No, it does not.

Mr. EHLERS. Also, I want to point out someone—I forgot which witness—mentioned the Pell Grants have not been increased. I have here a graph which shows they are increased. There are double what they were 20 years ago. I don't know what the rate of inflation is. I suspect this hasn't matched the increase in tuition. But it certainly has more than matched the CPIs, so far as I know. I don't think that has doubled in the past 20 years.

Mr. MERISOTIS. The total funding for Pell Grants has increased, but, as the chairman pointed out, there has been a significant number of increase in the number of students who received Pell Grants. The chart that was shown here previously, on the boards here, showed a 36 percent increase in the number of recipients since 2000. Only about 11 percent of that is accounted for by increasing enrollment. The rest really is because of increasing eligibility. That is, as a so-called quasi-entitlement, we have more people eligible for it. So for all of the people who are eligible, they are eligible to receive up to the maximum benefit. That is one of the reasons why the maximum Pell Grant hasn't been raised since 2000, is that we have more people who qualify. So there is increasing support for Pell Grants, and that is a good thing. But a lot of it has to do with the fact that we have seeing an increased number of recipients because of the growing eligibility.

Mr. EHLERS. My points simply is we have increased the maximum award amount considerably, particularly in the last 10 years. It has almost doubled just in the last 10 years. So I am not very pleased with that. I am not bragging about it. I just want to set the record straight that we have put a substantial amount of money in that.

I am just very pleased with what I heard about the different programs. I think this is—in view of the rapidly increasing costs in higher education, there has to be additional financial aid; and I am pleased that many businesses, organizations are increasing their scholarship aid. That is certainly a plus.

We do our part through the Pell Grant, through the student loan programs, which also are very expensive, but we need the private sector to dig in. I appreciate in each and every case your involvement as well, so thank you; and I yield back.

Chairman KELLER. Thank you, Mr. Ehlers.

Next, Mr. Holt is recognized for 5 minutes.

Mr. HOLT. Thank you, Mr. Chairman.

Mr. Merisotis, what can you say about the demographics of higher education? What will be the need for aid in the future?

And, any of you, what can you say about the trends in the share of student aid that comes from the Federal Government? It is now approaching two-thirds, counting loans and all of that. I am just wondering under what circumstances you think that might decrease or increase and whether there is a greater need for the institutions, the colleges themselves or private corporations or others to pick up the change.

Mr. MERISOTIS. There is a famous saying, "demographics is destiny;" and our destiny is pretty clear in this point. That is that by far the fastest-growing populations in our country in the next several decades will be African Americans, Asian Americans and, of course, Hispanics, the demographic juggernaut in our society. Those three communities have significant educational needs and lower average family incomes, particularly in our urban areas and some of our poor communities.

So we look at the demographics of the population where a significant proportion of the eligible population for higher education is going to be from communities that are currently underserved, and clearly our Federal investment needs to be increased. The question is, how do we do that?

I do believe in a partnership. I think the Federal Government has and is in the best position to serve as the coordinating partner in this partnership, because the Federal Government has, naturally, a national focus. But I think States have responsibility, families have responsibility, institutions have responsibility, and, yes, indeed, the private sector has responsibility. But the Federal Government has got to drive this train here, because the Federal Government is by far in the best position to impact the lives of these students that are going to impact our collective well-being.

Mr. HOLT. Any of the others of you care to comment on that, on this point, and kind of what—how is the pie being reshaped and re divided?

Mr. JONES. Yes.

Financial aid has grown considerably, but it has been through the Federal Treasury, largely. For the California State University, of our total financial aid, \$7 billion, 72 percent is Federal financial aid; and, of that, really 50 percent really is the Federal student loans. We are lucky in that the cost of attendance is one of the lowest in the country for a public university, so the average indebtedness of our students is a little under \$14,000 for a bachelor's degree.

But keying off what Jamie said, one of the things that concerns us is the academic preparation of students. In California, the academic preparation and eligibility for the California State University—and I should say we are charged to admit the upper one-third of the graduating senior class which a B average or better. The eligibility of African Americans in our State is in the single digits in percentages. It is about 6 to 7 percent. Latinos, which make up far over half the population of the State, only about 26 percent of those students graduating from high school meet eligibility requirements for admission to CSU. And we don't even begin to talk about the dropout rates in 8, 9 and 10 grades in the State of California and nationally.

Financial aid is a critical key point to this whole area of higher education. But academic preparation in K-12 is an area that we haven't spent a great deal of time and attention to and one I think we need to.

Mr. HOLT. Mr. Salandy, first of all, I applaud you and your member organizations and your supporters for putting together what is a creative program and evidently quite a successful one. I am particularly pleased to see that the college that I am proud to have attended, Carlton College, is one of your participating organizations or participating colleges.

I am wondering about the 10 percent of your students who don't graduate. You—you have said a little bit, but I want to understand better whether that that is a necessary 10 percent or whether there is something that might have been done, particularly since we're talking about financial aid, in the financial realm that would have made the outcome different for that 10 percent.

Mr. SALANDY. Yeah. I think that, first of all, the number of students that make up that 10 percent drop out for, you know, reasons that are pretty typical in the general population of why students drop out. Some of them change majors and ideas of what they want to become. But, also, you can't get away from the fact that the more financial dollars and the more support we can get at that level, we are able to serve more and more students.

What we found is that—that, you know, the whole debate over equity versus excellence in trying to find those students who are actually capable of taking advantage of a prestigious or quality education, we found them, and we found them using unique indicators. But, yeah, the financial burden on some of them, some of them are—you know, they have issues related to, you know, back home, whether or not they are helping to support family members back home, and how much support they can get from family members back home in order to fill that gap of for room and board and issues like that.

So, yeah, we do get quite a bit of that, of the financial reasons being behind the 10 percent that do drop out, but—

Chairman KELLER. Thank you, Mr. Holt.

Next we recognize Mr. Osborne.

Mr. OSBORNE. Thank you, Mr. Chairman, and thank you for having this hearing, and thank you for the exemplary way in which you are conducting your first hearing.

Just a couple of comments.

I was interested in the comment that roughly 75 percent of high-income students go to college, and roughly 30 percent of low-income student attend college. I guess for my own observation, that would probably be fairly accurate. I am sure it is accurate. And one thing that seems to occur to me is that sometimes vision is really important, and whether you go to school or not, and if you are raised in an environment where you don't see many people around you or come into contact with many people who have gone to college, you are probably not going to think about it much. On the other hand, if you come from a home where this is kind of expected, you are very apt to go.

And so one thing that I have noticed is that you have been very interested in mentoring, and a young person who is in a mentoring

relationship is much more apt to have their horizons broadened somewhat by that mentor. Some possibilities are often broached that otherwise might not be considered by the young person. So I think that is a good idea.

The question I would like to ask you all is probably a little bit outside your area of expertise, but we have already pointed out that there has been a fairly dramatic increase in funding, but the actual grant itself is not increased because of the expanding numbers who are receiving Pell grants, and we all understand that.

One of the variables that is really distressing is that—the rate at which the cost of higher education is increasing. It is about 8 percent a year, which is far outstripping inflation. And so we have more and more pressure being put on people here in Congress and the Federal Government to fund education. And have you given any thought or do you have any ideas as to how we might control the cost of higher education, because if that—if that cost continues to expand as it is, it might be very, very difficult, no matter what we do, to make the college education affordable to so many low-income students.

So I don't know if this is something you have thought about much, but we think about it a lot, and every time we try to make a proposal, it gets beaten down very quickly by the powers that be. And so any thoughts that you might have as to how to make college more affordable other than simply more Federal money?

Mr. MERISOTIS. As I know you are aware, there is a disconnect here. The vast majority of the Federal investment is in financial aid. Financial aid goes to students. The problem is we are concerned about rising prices charged by institutions. The only mallet we have to try to address those issues, therefore, is financial aid. But if we use that mallet, we negatively impact students, and I don't think that is what anybody wants to do.

One proposal that I have made previously is a very modest proposal to put some competitive money on the table for institutions to develop innovative solutions for cost control. Institutions love to compete for money, and a modest amount of expenditure could actually generate some really interesting ideas that you just don't see.

Another possibility is to create incentives for States to also encourage those kind of efforts in public institutions, though it clearly won't address issues in the private sector.

Unfortunately we live with a situation where, because of the way the programs are structured, we would end up negatively impacting students if we try to limit availability of financial aid, and that is where the vast majority of the resources are. So I really hope that this Congress won't choose those kinds of solutions. But modest, and I do mean modest, incentive money, competitive money, for institutions might actually lead institutions to think outside of the box and develop some new ideas.

Mr. OSBORNE. So often what seems to me as we increase Federal aid, this simply gets capitalized into the increasing cost of education. And so your thought is well taken. There may be some way that we can, by putting some money on the table to be innovative and holding down the costs, might be helpful, might be a good thought.



Anybody else have any thought on this issue?

Yes, sir.

Mr. TOM DAVIS. Well, I have noticed one of the students we paid for goes to junior college. Tuition there is \$750 a semester for 15 hours. Another student goes to a State college there in Texas. Tuition for 15 hours for a semester is about \$2,700, you know. And so if both of them are accredited schools, and you see such a vast range in the cost of an education, and so, you know, maybe you take in the—I have no idea why universities' cost is increasing so rapidly, but maybe from a Federal level you start pushing more of these kids toward junior colleges and stuff to get them started their first 2 years instead of sending those moneys to the more expensive colleges. I don't know. It is a thought.

Mr. OSBORNE. Thank you. I think my time is up, and I yield back, Mr. Chairman, but appreciate you all being here.

Chairman KELLER. Thank you, Mr. Osborne.

Next, Mr. Wu, you are recognized.

Mr. WU. Thank you very much, Mr. Chairman. It is good to see you there.

I know that we are here to talk about employer-based private programs, but I want to broaden our horizons just a little bit.

Mr. MERISOTIS, I was struck by a comment you made earlier in your testimony that tax incentives—that there is no evidence that tax incentives increase the number of lower-income students who can attend. And I was just thinking very quickly to the analogy in the housing market where there is a mortgage interest tax deduction. It has helped a lot with middle-income of housing affordability, and there is, you know, that kind of getting a piece of the rock kind of—well, a broad public policy about housing. The middle class basically has access to two appreciating assets, and housing is one, and education is the other. And for housing we have these other things that we consider to help with low-income housing.

And the question I had for you is if we were to help one group of people, whether it is employment-based or individually based, by permitting the deduction, the full deduction, of student loan interest, and then work on some kind of concept of something based on refundable tax credits like we had for the low-income refundable tax credit, would that help address what you said about the lack of breadth of a straightforward tax deduction?

Mr. MERISOTIS. I am not sure. I think the fundamental problem with tax policy in this area always has been that tax benefits are awarded, take place, after the action has already occurred. That is, you are getting the tax benefit after you have done what you otherwise would have done. So there is not a lot of incentive there. I don't know a lot of people who make decisions, at least in this area of education. It may be true in your example with mortgages, but I don't know anybody who—

Mr. WU. I never would have purchased a house if I wasn't forced to by the Tax Code.

Mr. MERISOTIS. So it seems unlikely that someone is going to say, I think I will go to college because I am going to get a deduction on my student loan interest in the following year. It doesn't seem very likely to me, and we see from the HOPE and Lifetime Learning Tax Credits that only about a quarter of the recipients

of those have incomes below \$30,000. An awful lot of eligible populations, by the way, for those programs actually don't take advantage of the tax benefits, which is another problem, getting back to Mr. Jones, about the lack of information being one of our other critical barriers.

Mr. WU. And that is a separate issue of getting the information out there.

One of the things we do is student financial aid for universities, and that is one of the most well-attended things we do congressionally.

I just want to ask whoever would like to answer this on the panel, we have looked at the whole pie chart of where student financial aid—the various sources of student financial aid, and one of those sources is institutional financial aid from the college or university. Where does that money come from? Is that from endowment funds? Is that from other restricted funds? Are there transfer payments from the nominal tuition rate? Can anybody address that?

Mr. JONES. Speaking for the California State University and the State of California, there is another partner in this, and that is the State itself. And the State of California has an implement through the general fund. It just comes through the tax—the general revenue to the State to fund student financial aid and make access possible. But from the State university standpoint, it is a policy of our chancellor and our board of trustees. We provide over \$200 million in another grant program, which augments the Pell grant and the State grant program for students, and that, again, is—a fraction of that was paid by State general funds, but I must tell you most of it comes from the fees that students pay.

Our students have agreed that about one-third of the fees that they paid should be returned to aid and provided to other students with financial need. So as we increase our fees, one-third goes right back into our State grant or the California State University grant program, and the fee increases and so forth occur somewhat regularly, but they are limited to about 10 percent per year.

Mr. WU. So even at a California State university, a substantial amount of that institutional aid comes from other students, and one would assume that at private colleges, universities, that might be even higher. It comes from either students or endowment funds.

Mr. JONES. Yes. Having worked at a prior institution in my early part of my career for about 15 years, that is where your endowment funds and your contributions come in.

But I would say in California our State grant program students can use that grant. It is very much like a Pell grant in the sense it is an entitlement. The value is worth the amount of fees at the California State university, or the amount of fees at the University of California, and up to about 10- to \$11,000 of the independent colleges. So the State general fund is supporting students to go to independent colleges as well.

Mr. WU. I thank the witnesses for your good work, and thank you, Mr. Chairman.

Chairman KELLER. Thank you, Mr. Wu.

Ms. Drake is now recognized for 5 minutes.

Mrs. DRAKE. Thank you, Mr. Chairman, and thank you for the opportunity to be here.

What a great idea of a bill to encourage our businesses to partner with us, with the government, to make sure our children have opportunities.

Mr. Davis, I am really intrigued by what you have done, and I want to thank you for doing that, and it sounds like this is something that your company just said that is an opportunity we had, even though you chose not to take it, and we want to make it available; and I think what you have done—and you have heard in here, the three big things I think that keep children from going to college: No. 1, they don't believe they can afford it; No. 2, they don't know that they can do it. It is not on their radar screen if their parents didn't go, and we talked about it, and the percentages of income, higher income, certainly a much clearer percentage go; and then the third thing is the academic achievement.

But what you have done is said if you want to go to college, I have the money. So No. 1, they are going to be more concerned about academic achievement; and No. 2, they know they can do it.

So I have just a couple questions for you on that. Is there also a support mechanism within your business for that child or for that parent if that parent knows now they have the money, but how do they do it? Are there also people that help them work through that, or is that done through the child's school when—because they know they have the funding to go?

Mr. TOM DAVIS. I am not sure I totally understand the question, but we—for one, most of our employees are Hispanic, and their parents did not—or our employees did not have the ability to go to college. Most of them didn't even finish high school, and so their kids—we are a small enough company that I know every child whose parents work for us, and I make a point to make them understand that they can go to college, and that it is a possibility. And even if their high school grades aren't good, I even go help them at high school, you know, to get them out of high school. And it is a struggle.

Mrs. DRAKE. So you do that at the high school level as well as monitoring their college grades.

Mr. TOM DAVIS. Yes. And one of the side effects of this whole program has been company morale. Our employees, they literally walk through fire for us. They—nobody is—we hadn't had anybody resign from our company or move on in 15 years, I mean, because we take good care of them, and they, in turn, take good care of us.

Mrs. DRAKE. And the final question for you, because we are going to go vote, is, first of all, if a child wanted to be more in a career training, whether it is automotives or refinery people or—do you also help them with funding for that if it is not just regular college, if it is more workforce?

Mr. TOM DAVIS. I don't care what the child wants, what form of education they want to get, you know, whether it is college or trade or, you know, we will help them.

Mrs. DRAKE. And have you shared what you are doing with your business community there in the Houston area so they know the model that your company has put together, or are you not patting yourself on the back?

Mr. TOM DAVIS. No. It is really through word of mouth; but, no, we don't advertise it.

Mrs. DRAKE. Right. But as far as your fellow builders or other people within the business community, to let them know this is a program that works very well for you.

Mr. TOM DAVIS. I share with them at lunch or something like that, but it is not a public thing.

Mrs. DRAKE. OK. Thank you very much, Mr. Chairman. I will yield back so maybe you can have a couple other questions before we go.

Thank you, Mr. Davis.

Thank you all for being here.

Chairman KELLER. Well, thank you. I know in just a second Mr. Kildee is going to insert something into the record. Let me tell the witnesses and Members we have been called for votes. We have 15 minutes to be there. We are probably going to have time for about 5 minutes more of questions, and then we are going to adjourn because we will be there for about 40 minutes, and then it is going to be lunch, and I know some of you have flights to catch.

Mr. Kildee.

Mr. KILDEE. Mr. Chairman, I ask unanimous consent to include in the record the comments from Sandy Baum of the College Board.

Chairman KELLER. Without objection, so ordered.

[The prepared statement of Sandy Baum follows:]

#### **Prepared Statement of Sandy Baum, the College Board**

Both tuition assistance from employers and private grant aid play an important role in student financing. In 2004-05, the \$8.4 billion in subsidies from these sources constituted about 15 percent of the total \$57 billion in grant aid undergraduate and graduate students used to help defray the costs of higher education. However, this source of funding is most important for graduate students. Less than \$4 billion, or only about 8 percent of undergraduate grant aid, comes from either employer assistance or private grants.

Grant aid from private sources is very valuable to the students who receive it, but it is not need-based assistance and low-income students are less likely than more affluent students to receive this form of aid. Black and Hispanic students are less likely than white students to get help from these sources.

About 8 percent of undergraduate students receive employer assistance, but only 4 percent of dependent undergraduates enjoy this benefit, compared to 13 percent of independent undergraduates. Among independent students, those in the highest income quartile are about 4 times as likely as those in the lowest income quartile to receive employer assistance. This is not surprising, since individuals working more hours and in the labor force for a longer time are most likely to enjoy this benefit.

Among dependent undergraduates, about 5 percent of those from families with incomes \$70,000 or higher receive subsidies from their parents' employers, but fewer than 3 percent of those from families with incomes below \$30,000 receive this funding. This reality is consistent with the general pattern of more generous employee benefits for higher-earning employees.

While private organizations such as Scholarship America do make important contributions to needy students, much private grant aid is distributed according to criteria other than financial need. Only 8 percent of dependent students from families with incomes below \$30,000 receive private grants, compared to 10 percent of dependent undergraduates overall.

Grant aid from private sources makes a significant contribution to students. The federal government might be well-advised to explore ways of encouraging increased participation of employers and other private entities in financing college and in particular, of targeting the subsidies to students with significant financial need. Federal matching funds could certainly be an effective means of accomplishing this goal. There is, however, no substitute for federal grants to low-income undergraduates. Assistance from private sources will never provide more than a small but helpful

supplement to the public funding on which low- and moderate-income students rely. Without continued increases in federal grant funding, the gap in college enrollment between students from families in the lower half of the income distribution and those from more affluent families will not close.

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Chairman KELLER. And now Mr. Ryan is recognized.

Mr. RYAN. Thank you, Mr. Chairman, and I also want to lend my voice to your great hearing that we are having here and how important this is. I think this is really the most important discussion that we need to have, and we are competing against 1.3 billion Chinese citizens, over a billion citizens in India, and we only have 300 million citizens in this country. So I think it makes it that much more imperative that we get all of our kids on the field playing for us. We can't afford to have, you know, the poverty rates we have in some of the other schools and the drop-out rates we have, as some of you have already mentioned.

I want to take this opportunity, too, Mr. Davis, to thank you. I can't stress how important it is to have the leadership in the private sector on these issues. We hear a lot from businesses on how important it is to have an educated workforce, and I see your commitment not only in education, but a lot of other community things that are going on down in your community; and I want to thank you for being a leader in your community and how important it is.

I have one question. I really don't even know who to ask it to. But one of the ideas that I have read about, and the idea, the concept, was mentioned here earlier, about kids and parents, especially poor kids and lower-middle-class kids, they don't even think education is an option for them. They don't know how much they qualify for the Pell grant or what is available.

One of the ideas I read about last week that I think we need to maybe massage and kick around here because I think it could be a good bipartisan issue is to have a form sent to families based on their previous year's IRS forms that they filled out on what their income is. And if they have kids that are 14, 15, 16, 17, getting ready to go to college, they merely get an envelope that says, your kid John, who is 15, would qualify in your State of Ohio, for example, for \$5,000 in Pell grant or \$4,000 in Pell grant, and would be eligible for \$1,500 in loans and, therefore, could graduate from the Ohio State University in 4 years with, you know, \$20,000 of it covered, whatever the numbers may be.

Do you think that would be an effective use of our time, energy, and resources here from the government? Would that have the kind of impact that you are talking about here for not that much of a cost? And you are all welcome to comment.

Mr. JONES. Any way we can effectively find to communicate—I am trying to find the calculation in my mind, the cost to doing something of that nature. I know States need to do a better job. California does a very good job in trying to communicate very early to families at those age levels about that very thing, the Cal grant entitlement, Pell grant, and so forth. And let us not forget Gear Up, which is another very important program which we are very actively engaged in. That is reaching out to more families at an earlier age, and what it is doing is helping them to prepare academically.

Our problem is not just cost, and I can't just emphasize this enough. It is the academic preparation and reaching a 14- or 15-year-old at that point who has not taken the requisite courses in elementary or middle school necessary to be successful, and taking English as early as eighth or ninth grade or algebra, is not going to be as successful as early on as we would like.

So there is a combination. I applaud the thought, and I think we do need to brainstorm on ways of communicating the message, because I think you have hit on a key point in at least my 37 years. We do everything we can.

Our Super Sunday, quite frankly, when a chancellor stands up on the pulpit and addresses a congregation in the church, and our presidents are there after the sermon and has time to address, that was getting out the message. We are doing it in the Bay area. We are doing it throughout the State with all underrepresented groups of students. And we just started with the African American because of the lowest college-going rate. But I go applaud that effort, and I think we should think about it.

Mr. SALANDY. I think also, in addition to the issue of academic preparedness, what we found is that the Posse Foundation—is that there are thousands of students out there that can succeed and that can do well, but are not being served because of financial limitations. And what we have done as an organization, how we get the word out is by reaching out to community-based organizations, and establishing relationships with public high school systems, and talking to counselors and principals so that they, in turn, disseminate that information about the availability of quality education to their students. And I think—I don't know how that might be applied more broadly, but—

Chairman KELLER. Thank you. Time is about expired. I know we have got two gentlemen who have been waiting.

Dr. Price, if you can get off your best question, then I will go to Mr. Bishop real quick.

Mr. PRICE. Thank you, Mr. Chairman. I want to commend you for this hearing, and I want to thank you all for coming.

I can sit here all day and talk about this, because I agree with others, it is probably the most important thing we could discuss. It allows that pursuit of happiness to occur for all of our citizens.

I come from Georgia, the Sixth District of Georgia. Twelve, thirteen years ago we adopted the HOPE Scholarship program there, which I think is the first State that has truly sequestered money from their lottery program and utilized it to fund tuition for all students, any students who go to a State school or private school and maintain a B average. It has been incredibly successful in keeping high-quality students in Georgia. It has also been successful in allowing individuals in a very public way—in providing them the incentive to say, if I can keep my academic scholarships up, I will be able to go to college.

If you, in your wildest dreams or in your most creative mindset, could think about how we could provide that kind of vision for young people all across this Nation, do you have any thoughts that you haven't shared with us today or that you—or that you haven't written down somewhere that if we could just do this thing, it

would be a wonderful, wonderful opportunity for all students across our Nation?

Mr. MERISOTIS. A decade ago I was executive director of this bipartisan commission. One of the major recommendations was to create a uniform level of support available to all students irrespective of their financial situation; that is, that if you come from a higher-income family, you would be eligible for X thousands of dollars primarily in loans, and if you come from a very low-income family, you would be eligible for the same amount of money primarily in grants.

The point is we can send a message, much of what you are talking about with the HOPE Scholarship in Georgia, to all students in this country, the Federal Government is going to make a specific commitment irrespective of their status; and I still think it is a very big idea that could have huge consequences for us as a country and should be one that would achieve bipartisan support.

And I would be glad share with the subcommittee more of the information from that commission.

Mr. PRICE. That would be great.

Anybody else?

Mr. SALANDY. I would love to see—when I dream, I dream of recruitment processes that do not place the kind of emphasis that is now being placed on SAT scores and standardized testing, and I think that is a huge obstacle for students, the overreliance on those sorts of indicators of academic aptitude. I think that is a huge obstacle for students who might not perform well on those tests, but nonetheless, given the right kind of support, can be stars on campus.

So in my—when I think of big, and I dream big, I dream of other measures, and perhaps also standardized, of course, but implemented on a large scale that don't simply test for the things that the current standardized tests test for.

Chairman KELLER. Mr. Salandy, I hate to cut you off. We will be happy to chat with you right after this.

Dr. Price, if it is all right, let me yield for one question for Mr. Bishop. He has been waiting.

Mr. BISHOP. I have lots of questions, but I will ask one. I will ask it of Mr. Jones.

In your testimony you talked about the importance of increasing funding for the Pell grant, increasing the Pell grant maximum, increasing funding for campus-based aid, restoring Perkins, which, as you know, the President's budget recommends that we eliminate.

Quickly, we have passed—some of us disagreed—now a merit-based component to Pell. Do you believe that a merit-based component to Pell is a best limited resource, or will we be taking those resources and putting them toward either increasing campus-based funds or increasing the Pell grant maximum?

Mr. JONES. It is too early to tell yet, particularly in the first year, first and second year awards, because we don't know what the academic criteria will be. We know many of our CSU students will benefit from that. And the third and fourth year competitive grants, the Smart grants, are intended to address the workforce need that the Nation has identified, as well as the State of Cali-

fornia, to encourage students to go in science and math and technology.

I think always the California State universities', and certainly California joins with others, the greatest need is the need-based financial aid. But many of those students, by attaching it to the Pell grant, are, in fact, your neediest students. Ideally what we will do with the additional grants is reduce the student loan indebtedness. It would certainly in the CSU. I can't guarantee how it will be played out in other institutions, how they may, in fact, replace their institutional grant with another Federal grant and keep the——

Mr. BISHOP. That is my concern.

My other concern is I come at this from a perspective of an ex-financial aid director, and my perspective would have been to add it to the campus basing, but let the financial aid officer use his or her discretion to assist the students who are in the greatest of need.

Thank you for your answer.

Chairman KELLER. Thank you, Mr. Bishop.

If anyone has any additional questions or additional responses, you can submit it to us, and we will certainly put it in on the record.

I want to thank the witnesses for their important and invaluable time, and for Members for their participation.

If there are no further questions, the subcommittee stands adjourned.

[Whereupon, at 11:25 a.m., the subcommittee was adjourned.]

[Additional material from Mr. Jones follows:]

**Supplemental Presentation by Allison G. Jones, Assistant Vice Chancellor,  
California State University System**

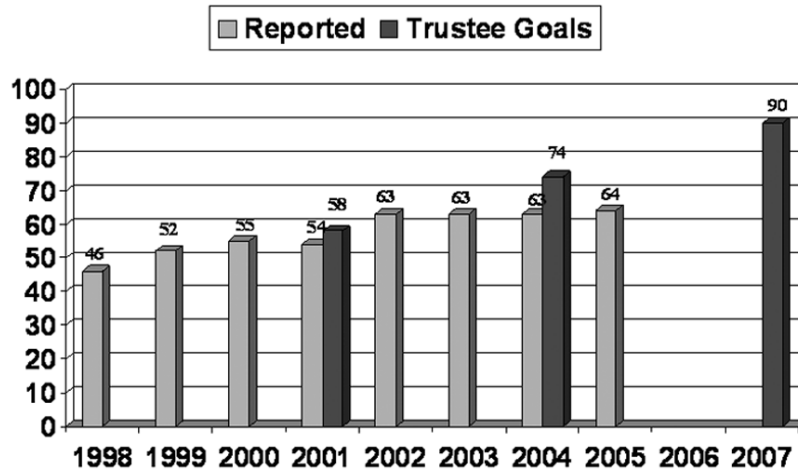
EARLY ASSESSMENT PROGRAM

*Goal of the CSU Board of Trustees*

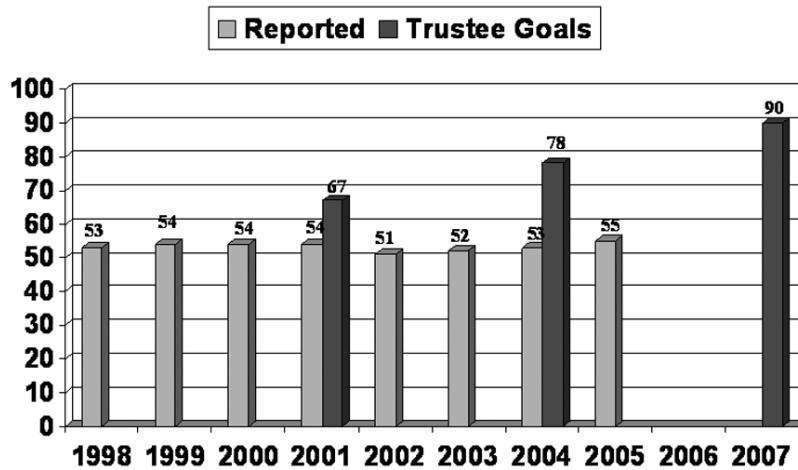
Reduce the need for remediation in English and mathematics to 10% by 2007



*Percentage of First-Time Freshmen Entering with College Level Mathematics Proficiency*



*Percentage of First-Time Freshmen Entering with College Level English Proficiency*



*Collaboration*

- California State Board of Education
- California Department of Education
- California State University

*Purposes of Early Assessment Program (EAP)*

- Early warning
  - Identify students before their senior year who need to do additional work in English and/or mathematics before entering the CSU
- Identify student readiness
  - Inform students, families, and high schools of students' readiness for college-level work in English and mathematics
- 12th grade interventions
  - Motivate students to take needed steps in 12th grade to assure readiness

*EAP Development Principles*

- Identify and develop common expectations of college readiness standards

- Align collegiate readiness expectations with K-12 standards and assessments
- Assess college readiness standards
- Minimize additional tests or testing time
- Identify assessments appropriate to student academic preparation
  - 11th grade California Standards Test
- Provide feedback to students, families, and schools in time to focus additional academic preparation in 12th grade
  - Cost-effectiveness
    - Reduce students' need for remediation
    - Improve path to the baccalaureate degree

#### *Components of EAP*

- 11th grade testing (early assessment of college readiness)
- Supplemental high school preparation in 12th grade
- Teacher professional development

#### *Why should eleventh grade students participate in the EAP?*

- Earn an exemption from CSU-required English and/or mathematics placement tests
- Identify the need for additional preparation for college-level courses while in high school
  - Adjust senior-year coursework to prepare for college-level courses
  - Avoid investing time and money in college remediation courses that do not count toward a baccalaureate degree

#### *Early Assessment of Readiness for College*

- Voluntary examination
- Administered in 11th grade
- In conjunction with California Standards Test
- In English and mathematics
- Contains 15 additional multiple-choice items in both subjects
- Essay required in English
- Selected items from CST and additional EAP items (including essay in English) are scored to determine student readiness for college English and/or mathematics

#### *What is Assessed in Math*

- CSU questions on CST are from State Board Standards
  - However, CSU does not cover Proof, Trig Functions, Probability, and Logarithms
- Important topics that need to be learned but not essential skills for success in GE math
  - Purpose: measure depth, not breadth of content knowledge
    - Depth important because CSU grants exemptions

#### *What is Assessed in English*

- CSU questions on CST are from State Board Standards
- Reading: comprehension
- Reading: literary response
- Writing strategies
- Written essay: student explains author's argument and extent to which student agrees with author's analysis and conclusion

#### *Early Assessment of Readiness for College*

- English
  - College Ready (Exempt)
  - Not College Ready (Non-exempt)
- Mathematics
  - College Ready (Exempt and Conditionally Exempt)
  - Not College Ready (Non-exempt)

#### *What Do Results Mean?*

##### *College Ready (Exempt)*

- Student demonstrates readiness for college level coursework in English Language Arts and/or mathematics and is exempt from further CSU testing.

##### *College Ready (Conditionally Exempt)*

- Student demonstrates readiness for college level coursework in mathematics at that point in time; However, successful completion of a senior year math experience is required to retain the exemption.

##### *Not College Ready (Non-Exempt)*

- Student does not demonstrate readiness for college level coursework in English Language Arts and/or mathematics and is encouraged to participate in a senior year experience in either or both areas.

*Incomplete*

- Student did not complete a sufficient amount of one or both exams to render a designation.

*Not College Ready (Non-Exempt)*

- Students, once admitted, must take appropriate placement test to determine if they will enter regular or remedial coursework
  - English Placement Test (EPT)
  - Entry Level Mathematics Exam (ELM)
- Exemptions may be gained through other means, such as AP, SAT, ACT, IB, etc.

*College Ready: Conditionally Exempt in Mathematics*

- Students will be required to do further work to maintain their skills in mathematics to retain exemption.
  - Another math class with Algebra II as a prerequisite
  - Monitored, online mathematics e-learning program, such as ALEKS

*How CSU supports high schools and students to gain proficiency in English*

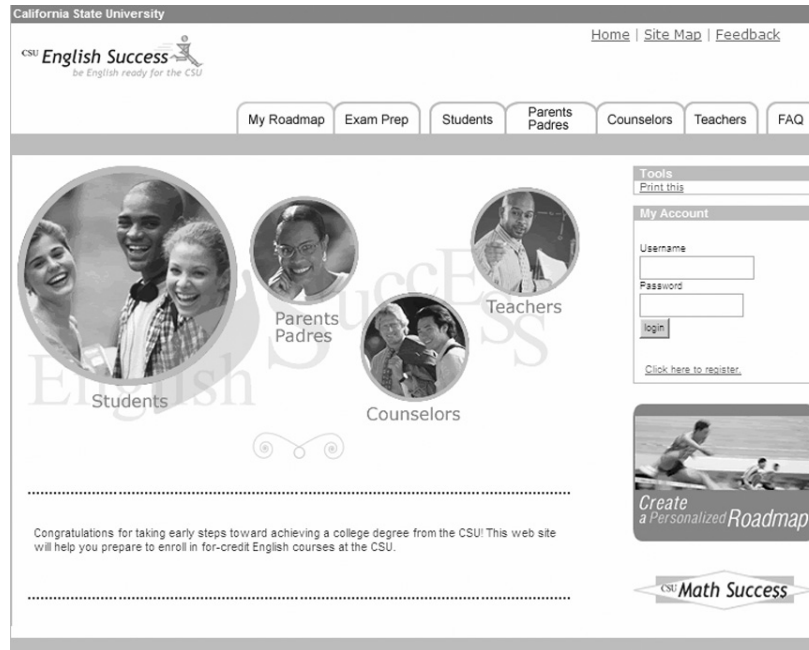
- CSU English Success Website
- Twelfth Grade Expository Reading and Writing Course
  - Aligned with English-Language Arts Content Standards
  - Helps prepare students for college-level English
- Teacher Professional Development

*CSU English Success Website*

- Customized information for students, teachers, and counselors
- Checklists and guidance tips for parents (English and Spanish)
- Personalized roadmaps with step-by-step advice and e-mail reminders
- Advice on EPT requirements
- Online English resources for students, parents, counselors, and teachers
  - CSU Focus on English

*CSU English Success Website*

- Tips and tools to help students improve their critical reading and writing skills
- Online multiple-choice module offering two practice EPT exams
  - Students receive a score report with detailed feedback about their responses
- Diagnostic Writing Service (DWS)
- Calibrated Peer Review (CPR), an online essay-writing tool
- Testimonials
- [www.csuenglishsuccess.org](http://www.csuenglishsuccess.org)

*English for Success Home Page**12th Grade Expository Reading and Writing Course*

- Developed by CSU English faculty and high school teachers
- Aligned with ELA content standards for 11th and 12th grades
- Structured around assignment template addressing reading and writing
- Lessons based on non-fiction and fiction texts
- Engages students in a study of rhetoric and composition
- Enables students to read and write academic prose effectively and strategically

*12th Grade Expository Reading and Writing Course*

- Increases students' mastery of academic language
- Emphasizes in-depth study of expository, analytical, and argumentative writing
- Deepens students' critical reading, writing, and thinking skills
- Designed to fulfill the B requirement of the A-G subject area requirements
- Not intended as an honors or remedial course
- Full course or modules

*Preliminary Evaluation of 12th Grade Expository Reading and Writing Course**Study Design*

- Effect of course on students who experienced two modules with student in traditional courses
- Extent to which instructional context related to increased proficiency students in course
- Administration of EPT to 12th graders enrolled in course using modules and enrolled in traditional course
- Observations and interviews with teachers and students in 10 classrooms, teacher survey responses (N=214)

*Preliminary Evaluation of 12th Grade Expository Reading and Writing Course**Effect on Teachers*

- Experienced strong success with curricular materials
- Found material academically rigorous and engaging
- Systemic changes in teaching
- Observed that \* \* \*
- Depth, rigor, and intensity contributed to strong, positive outcomes for students

- College expectations increased
- Students experienced increased confidence as writers and readers
- Worked well for English language learners

*Preliminary Evaluation of 12th Grade Expository Reading and Writing Course*

*Effect on Students*

- Increased skills in reading comprehension, expository writing, and independent thinking
  - Analyzed text material more thoroughly
  - Reexamined ideas in text
  - Read text with different/multiple purposes
  - Evaluated and analyzed strength of writers' arguments
  - Read more, including more complex texts by choice
  - Applied skills learned with expository texts with traditional English language arts texts
- Students enrolled in course using modules scored higher on EPT than students in traditional classes

*Professional Development in English*

- Offered by County Offices of Education and the CSU to high school English teachers Introduces teachers to expectations of college-level English
- Emphasizes teaching expository text and rhetorical analysis

*Professional Development in English*

- Provides teachers with skills necessary to teach the 12th Grade Expository Reading and Writing Course
- Reading Institutes for Academic Preparation offered through selected CSU campuses for teachers in grades 9-12 in all subject areas to improve capacity to teach reading/academic literacy across the curriculum

*How CSU supports high schools and students to gain proficiency in Math*

- CSU Math Success Website
- Twelfth Grade Math Course (under development)
- Teacher Professional Development

*CSU Math Success Website*

- Advise students how to meet ELM and EPT requirements
- Motivate students to take proactive steps to satisfy ELM and EPT
- Provide educational tools and planning resources to help students improve their math skills

*CSU Math Success Website*

- Diagnostic services (MDTP)
- Online math resources for students, parents, counselors, and teachers
  - CSU Focus on Mathematics
- Online e-learning mathematics tutorial (ALEKS)
- Live online math tutoring
- 10-, 50-, 114- online ELM practice problems
- Roadmap advises students how to prepare math skills
- Video Testimonials
- [www.csumathsuccess.org](http://www.csumathsuccess.org)

### Math for Success Roadmap

The screenshot shows the 'Math for Success Roadmap' website. On the left, there are two sections: 'MY BEST OPTION' and 'MY PROFILE'. 'MY BEST OPTION' suggests taking a math course during the senior year and preparing for the Entry Level Mathematics (ELM) Exam. 'MY PROFILE' lists user information: Graduating High School: Spring 2006, Starting the CSU: Fall 2006, and Your EAP Math Status is Not Participating. Below this is a link: 'If any of the information above is no longer true, click here.' On the right, there is a table titled 'Jeff Gold's Roadmap' with columns: step, start date, due date, status, and my to-do-list. The table contains 8 rows of tasks, most marked as 'Done'.

step	start date	due date	status	my to-do-list
1	9/7/2005	9/21/2005	Done	Learn about the <a href="#">Entry Level Mathematics (ELM) requirement</a> .
2	9/7/2005	9/21/2005	Done	Learn about the <a href="#">Entry Level Mathematics (ELM) exam</a> .
3	9/7/2005	9/21/2005	Done	Learn about the <a href="#">Early Assessment Program (EAP)</a> .
4	9/7/2005	9/21/2005	Done	Learn about the <a href="#">Non-Exempt EAP math status</a> .
5	3/1/2002	6/30/2006	Done	Complete the required mathematics courses (Algebra I, Geometry, and Algebra II) with a grade of C or better prior to graduating high school.
6	3/1/2005	9/1/2005	Done Can't Do	Take Algebra II or a higher math course during your senior year.
7	8/15/2005	11/30/2005	Done	Learn about the <a href="#">CSU application procedure</a> and select the campuses that you will apply to.
8	10/1/2005	11/30/2005	Done	<a href="#">Apply</a> to the CSU campuses that you are interested in attending by the deadline.

#### 12th Grade Course in Mathematics

- Design of new 12th grade course
  - Under development
  - Will emphasize math skills needed for college readiness in mathematics

#### Professional Development in Mathematics

- Increase teacher's knowledge and understanding of EAP program
- Examine student performance on ELM to identify and analyze patterns of student strengths and weaknesses
- Increase teacher's knowledge and understanding of options that exist to increase and sustain student math skills
- Agreement with Curriculum and Instruction Steering Committee (CISC) of California County Superintendents Educational Services Association (CCSESA) to deliver professional development to high school mathematics teachers

#### Just for the Kids

- User-friendly website provides data charts based on CST and EAP for Mathematics and English/Language Arts
- Helps schools benchmark performance against top performing schools with comparable student populations
- Connects schools with high performing schools to learn and implement effective strategies that improve student achievement
- Helps schools predict how 9th graders may perform by 11th grade if nothing changes
- Identifies effective 12th grade interventions
- [www.jfthk-ca.org](http://www.jfthk-ca.org)

#### EAP Statistics—Spring 2005

- EAP testing available in all public high schools
- English EAP
  - 186,000 of 407,000 eligible juniors took English EAP (46% of all eligible)
  - 23.5% exempt
- Mathematics EAP
  - 119,000 of 172,000 eligible juniors took Math EAP (69% of all eligible)
  - 56% exempt
  - 2004: 153,000 of 386,000 eligible juniors took English (22% exempt)
  - 2004: 115,000 of 157,000 eligible juniors took math (55% exempt)

#### Resources

- Early Assessment Program Home Page:
  - [www.calstate.edu/eap](http://www.calstate.edu/eap)
- Math Success Website:
  - [www.csumathsuccess.org](http://www.csumathsuccess.org)

- English Success Website:
  - [www.csuenglishsuccess.org](http://www.csuenglishsuccess.org)
- ALEKS ELM Tutorial:
  - [www.csumathsuccess.org/alekslink](http://www.csumathsuccess.org/alekslink)
- Frequently Asked Questions (FAQs):
  - [www.calstate.edu/eap/documents/eapfaqfinal/pdf](http://www.calstate.edu/eap/documents/eapfaqfinal/pdf)
- Just for the Kids
  - [www.jftk-ca.org](http://www.jftk-ca.org)

